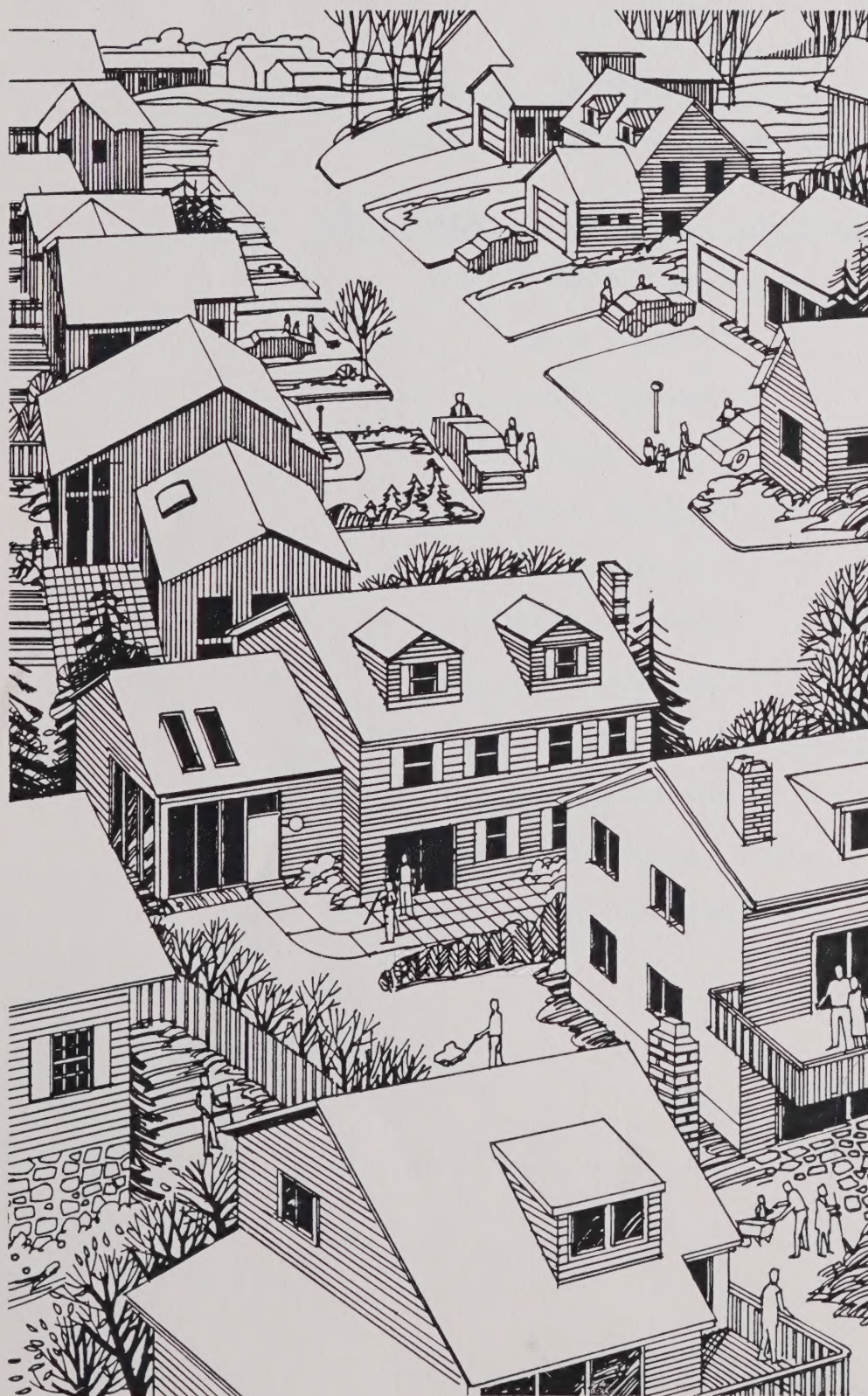


# HOUSING ELEMENT

## OF THE GENERAL PLAN



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City of San Luis Obispo

General Plan

HOUSING ELEMENT

This element was adopted June 10, 1986, by City Council Resolution No. 5982. The following amendments have been adopted:

<u>Subject</u>	<u>Resolution No.</u>	<u>Date</u>
(none)		



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## SUMMARY

State law requires each city and county to adopt a general-plan section concerning housing. The state has established detailed requirements for the contents of such "housing elements" and has set deadlines for adopting and updating them. The city has prepared this document to comply with state law and to outline what the city will do to help its citizens obtain adequate housing. Another general-plan section, the Land Use Element, addresses residential densities, the desired character of residential areas, and overall population growth and expansion of the city.

San Luis Obispo's housing goals are:

1. Provision and maintenance of safe shelter for all residents;
2. Construction of new housing to fulfill the needs of: first, city residents, and second, those who work or attend school in the city and who would like to live here.
3. Conservation of existing housing and the least possible displacement of current occupants;
4. Maintenance of a stock of housing types to meet the needs of renters and buyers at all income levels;
5. Assistance programs to meet the housing needs of those unable to obtain any type of housing in the market due to circumstances beyond their control.
6. Variety in the location, tenure, cost, style, and age of dwellings to accommodate the wide range of households desiring to live within the city;
7. Housing that is economical to occupy because it incorporates energy-saving and water-saving features.

San Luis Obispo is a distinct community of about 39,000 people. While it is the county seat and the employment and trade center of the county (which is generally the same as the housing market area), city residents comprise about one-fifth of the county's total population. Many people commute to San Luis Obispo from other communities in the county. The area's economic base is dominated by government, trade, and services. Cal Poly State University students (nearly one-third of the city's population) exert a strong influence. Compared with the county as a whole, city residents have lower incomes, they live in households with fewer people, and they are younger.

Most of the demand for housing is caused by migration from metropolitan areas of the state. The influx of workers and students from other areas has tied the city's housing market to statewide cost pressures. At the same time, the city's resource base, primarily water, is limited, and city residents have resisted rapid expansion. The city hopes to allow continued housing production while reducing the pressures for more housing demand.



The city's housing stock contains a wide range of dwelling types. Dwellings are generally in good condition. Many older dwellings and mobile homes, which are the most affordable, may be removed if present building trends continue. The city hopes to maintain and upgrade existing dwellings, and to conserve or replace affordable dwellings.

According to state projections, the city's population is expected to grow by about 18 percent between 1984 and 1990. The state says the city should accommodate about 1,400 additional households during that period, and that to house them while allowing for desirable vacancy rates and replacement housing, the city should accommodate about 1,600 new dwellings. Over 1,100 dwellings were completed during 1984 and 1985. If water consumption does not exceed available supplies, all the dwellings called for by the state can be built. If water supplies fall short, the city intends to allocate them to residential use (to meet housing demand) rather than to commercial or industrial use (which would cause housing demand). The city has enough vacant, properly zoned land to meet the state's projected construction requirements, though sites for some types of housing (mobile home parks and large group-quarters) are very limited.

The city intends that about one-half of the new dwellings will be multifamily — apartments or condominiums — to meet the needs of smaller, less affluent households. (About one-half of the city's households are renters.) The city will grant density bonuses or other incentives for housing which is affordable to low-income or moderate-income people, in line with rules established by the state.

Using the state's criteria, about 4,000 low-income renter households and 560 low-income owner households pay too much for housing in San Luis Obispo. However, the presence of many college students distorts measures of affordability, since many student households have buying power that is not reflected in income statistics. Though waiting lists are long, the city does have over 600 units of subsidized rental housing, about twice the proportion of the entire county. The subsidized housing is dispersed throughout the city. Lower federal budgets for housing subsidies will limit the city's ability to keep and expand subsidized rental housing. The city will assure sites for subsidized apartments in major expansion areas. It will also continue to enable tax-exempt financing for affordable housing projects.

Because the city's population does not reflect the state's racial composition, and because San Luis Obispo has a high proportion of renters and frequent turnover in renter households, equal housing opportunity and land-lord tenant relations have received city attention. Housing discrimination does not appear to be a significant problem, and the city's Human Relations Commission will continue to provide inspection and mediation services.

Rapid increases in mobile-home space rents, apparently tied to frequent sales of mobile home parks, prompted the city to establish a mobile-home rent stabilization ordinance. Review of rent increases will continue under that ordinance. Also, conversion of apartments to condominiums, in which occupants in many cases appeared to pay more for the same housing, prompted the city to regulate condominium conversions. Those regulations will remain in effect.

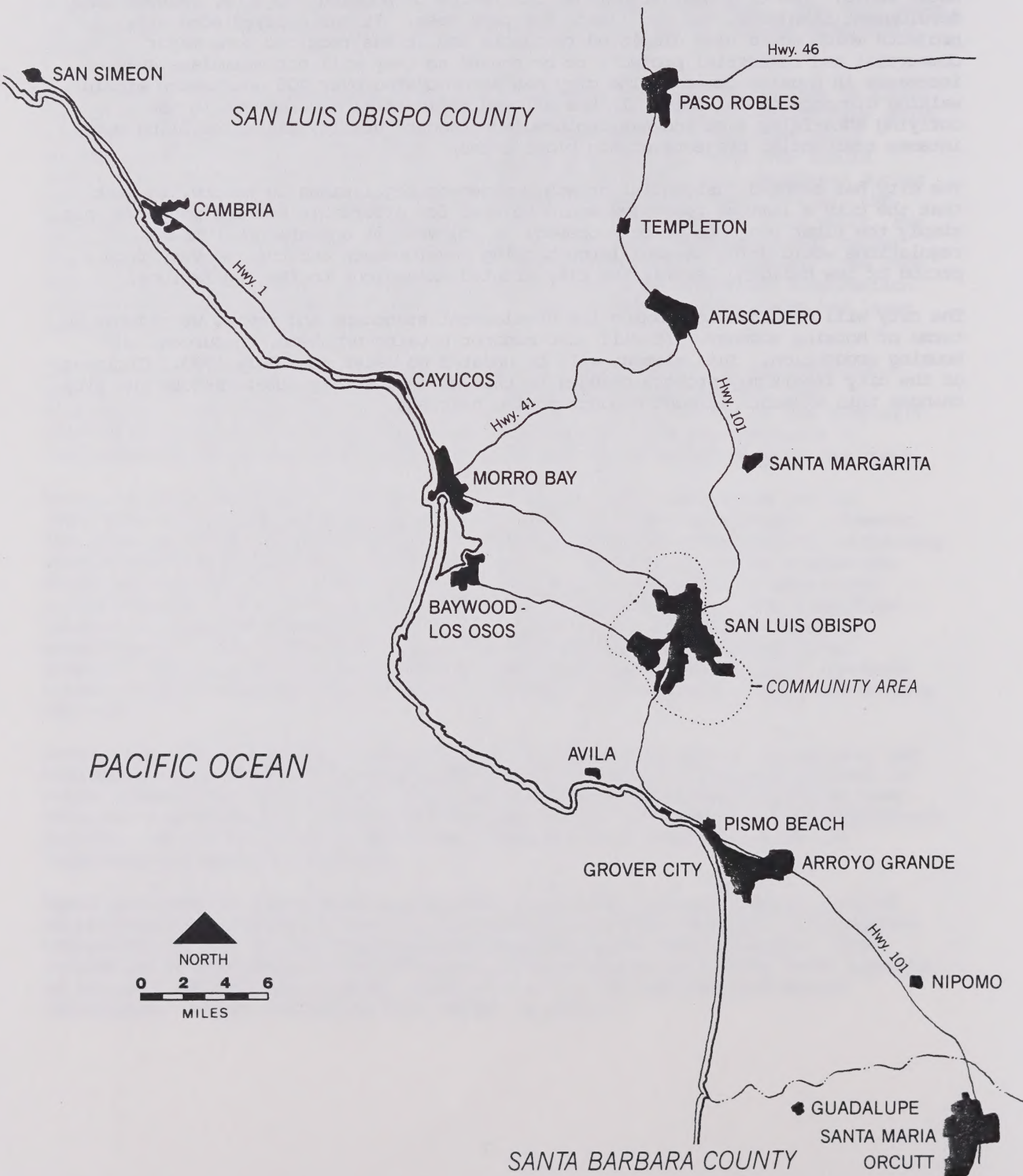


Since the city last revised its Housing Element in 1979, it has taken several steps to encourage housing production and contain costs, in addition to the regulations noted above. The city has streamlined its review of housing projects, reduced some development standards, and set limits for park fees. It has delayed some city projects which would have displaced residents and it has required some major commercial and industrial projects to be phased so they will not stimulate sudden increases in housing demand. The city has accommodated over 400 apartments within walking distance of Cal Poly. It has allowed residential development in the outlying Edna-Islay area and has replaced substandard utility lines, enabling more intense residential projects within older areas.

The city has adopted residential growth management regulations to assure, in part, that the city's limited resources would be used for affordable housing projects, not simply the first projects to be proposed. Also, when it appeared that the regulations would delay several large housing developments and the recovery from a period of low building levels, the city granted exceptions to the regulations.

The city will continue to examine its development standards and review procedures in terms of housing economy. It will also monitor housing problems, resources, and housing production. This element will be updated no later than July 1990. Citizens or the city itself may propose changes to this element at any time. Before the city changes this element, it must conduct public hearings.

FIGURE 1  
SAN LUIS OBISPO HOUSING MARKET AREA





## INTRODUCTION

### Why This Was Prepared

State law requires each city and county to adopt a general plan to guide conservation and development of certain resources. The housing element is one of several required general plan sections. In 1980 the California Legislature established detailed requirements for the types of information to be included in housing elements. The state also set deadlines for adopting and revising them. The City has prepared this document to meet the requirements of state law and to outline what the city intends to do to help its citizens obtain adequate housing. According to the California Government Code (beginning with Section 65580), the housing element is to "make adequate provision for the housing needs of all economic segments of the community" and to describe "standards and plans for the improvement of housing and provision of adequate sites for housing." The full text of the law is included as Appendix D.

### Previous Housing Elements

The city adopted its first housing element, which contained summary descriptive information and general policies, in 1973. In response to public concern with housing, in 1975 the city began work on a new housing element. That effort culminated in adoption of a new housing element in 1979. While that element was intended to satisfy requirements then in effect, the state told the city that the element was not adequate because its programs and data were not sufficiently explicit.

### Public Participation

Before adopting or revising any general plan element, the Planning Commission and City Council must conduct public hearings. Notices are published in the local newspaper to let citizens know about the hearings at least ten days before they are held. Anyone may suggest or apply for amendments to general-plan elements. Amendments are considered by the Planning Commission three times each year. This element is to be updated no later than July 1990.

Drafts of this element and requests for comments were distributed to organizations representing housing consumers and producers in San Luis Obispo. Some of these organizations are listed in the Information Section. Also, in preparing this housing element, the city drew on experience from the "housing task force" which worked on the 1979 housing element. That group included representatives of builders, bankers, low-income residents, elderly, and students. Before adoption, the Planning Commission and City Council held several public meetings from September 1985 through May 1986.

### For More Information

For more up-to-date or more detailed information concerning population, housing, and development review in San Luis Obispo, contact the Community Development Department at City Hall, 990 Palm Street (P.O. Box 8100), San Luis Obispo, CA 93403-8100, or phone 805-549-7160.





## GOALS AND POLICIES

Goals are desirable conditions which the city will attempt to reach over the long term. Not all goals may be reached within the planning period of this element (1985 to 1990). They will, however, be the basis for policies and programs to be carried out in the short term.

San Luis Obispo's housing goals are:

1. Provision and maintenance of safe shelter for all residents;
2. Construction of new housing to fulfill the needs of: first, city residents, and second, those who work or attend school in the city and who would like to live here.
3. Conservation of existing housing and the least possible displacement of current occupants;
4. Maintenance of a stock of housing types to meet the needs of renters and buyers at all income levels;
5. Assistance programs to meet the housing needs of those unable to obtain any type of housing in the market due to circumstances beyond their control.
6. Variety in the location, tenure, cost, style, and age of dwellings to accommodate the wide range of households desiring to live within the city;
7. Housing that is economical to occupy because it incorporates energy-saving and water-saving features.

The Land Use Element contains goals and policies concerning residential densities, the desired character of residential areas, and overall population growth and expansion of the city.

Policies are statements of city intent. Most policies have a time frame within five years after adoption of this element. San Luis Obispo's housing policies are:

### I. HOUSING PRODUCTION

- A. New housing construction should keep pace with enrollment and employment growth and help reduce commuting.
- B. The city will encourage replacement of detrimental, nonconforming uses in residential neighborhoods, to provide additional housing and improve neighborhood quality.
- C. The city will attempt to accommodate replacement housing for housing types such as mobile homes which may be lost through land-use changes.
- D. The city favors development of modest housing for first-time buyers. Due to its relatively low cost, manufactured housing will have a high priority for land within residential expansion areas.

- E. The city favors development of additional student housing on the Cal Poly campus.
- F. The city will consider annexing land during the planning period of this element, consistent with the city's ability to provide utilities and services, for the development of senior-citizen and affordable housing. Of the total dwellings built on annexed land, at least five percent should be affordable to very-low-income households, ten percent should be affordable to other low-income households, and 50 percent should be affordable to moderate-income households.

## II. HOUSING ASSISTANCE

Governmental housing assistance will be available to those area residents who are unable to obtain any type of housing at market rates due to circumstances beyond their control. Housing assistance should not be an incentive for those living outside the housing market area to move to San Luis Obispo.

## III. HOUSING CONSERVATION

Existing housing will be conserved and the displacement of residents will be minimized.

## IV. HOUSING PRODUCTION COSTS

The total costs of housing development will be minimized and equitably distributed. The city will not make new housing more affordable by shifting costs to existing housing.

## V. HOUSING OPPORTUNITY & LANDLORD-TENANT RELATIONS

- A. Housing should be available without regard to age, sex, marital status, race or religion.
- B. The interests of landlords and tenants will be balanced, realizing that a satisfactory rental housing market requires attention to both.
- C. The city supports cooperative purchase of mobile home parks and apartments by the occupants to minimize cost increases due to resales. (The condominium conversion regulations do not apply to cooperative purchases of mobile home parks.)

## VI. HOUSING DEMAND MODERATION

The City will discourage activities which would aggravate the imbalance between residential and employment opportunities among the communities in the housing market area.



## INFORMATION

### Housing Market Area and Population

Most residents think of San Luis Obispo as a small, pleasant, university town. It is separated from other communities by agricultural and open lands. Relatively few people live in the unincorporated areas adjacent to the city. San Luis Obispo County — what most people would consider the housing market area — is largely rural but becoming more urban. San Luis Obispo is the county seat and the largest incorporated city. However, it comprises only about one-fifth of the county's total population (Table 1 and Figure 1). Therefore, actions taken by the city will directly affect only part of the existing and new housing within the market area.

San Luis Obispo is an employment center. Much of the city's daytime population commutes from nearby communities (see Figure 2). Cheaper land and fewer requirements for such public facilities as parks, sidewalks, and sewer lines have made less expensive housing in other communities attractive to many households with members working or attending school in San Luis Obispo. The economic base of the city and of the market area is dominated by government, retail trade, and services (including tourism), while manufacturing and construction play relatively small roles (Figure 3). Full-time college students, a large part of the city's population, exert a strong influence on the housing market. Households in San Luis Obispo tend to be younger and smaller than in the county as a whole (tables 2 and 3). About one-quarter of all city households are people living alone. City residents also tend to be in lower income levels, compared with the county as a whole (Table 4). Racial minorities comprise a small fraction of the population (Table 5).

Most of the demand for housing in the market area is due to migration from other areas of the state. The area is attractive to residents of metropolitan areas to the north and south who seek the more enjoyable environment. The resources and preferences of such households have influenced community development and housing market conditions. Natural population increase and formation of households from the local population have accounted for a small part of the overall demand for housing.

Census data indicates that about 40 percent of county residents have lived in the housing market area five years or less. The county housing element observes that between 1980 and 1983, 82 percent of county population growth was due to new arrivals. Age and household size data for the City of San Luis Obispo indicate that the city's population would be stable over the long term if there was no immigration.

State institutions have contributed significantly to the county's population growth and demand for housing. Expansion of Atascadero State Hospital, California Mens Colony, and Cal Poly State University have tied the local housing market to the demands of the state's growing metropolitan areas. Such state institutions are usually beyond the influence of local government. They cause demands for housing and services far beyond what the local population would cause. The location of state agencies such as the California Department of Transportation district office, Regional Water Quality Control Board, and Highway Patrol have also concentrated housing demand in the City of San Luis Obispo. The state has developed some parks (Pismo State Beach and Hearst Castle State Monument) as major tourist attractions, further contributing to housing demands through growth of retail and service employment.

## FIGURE 2

### COMMUTING PATTERNS

This chart shows the fractions of employed residents in areas of the county who work in San Luis Obispo (unshaded). The size of each circle is in proportion to the number of employed residents in the area named. The outer circle for the San Luis Obispo area is in proportion to the number of jobs in the area. Numbers in arrows are estimates of commuters in 1984.

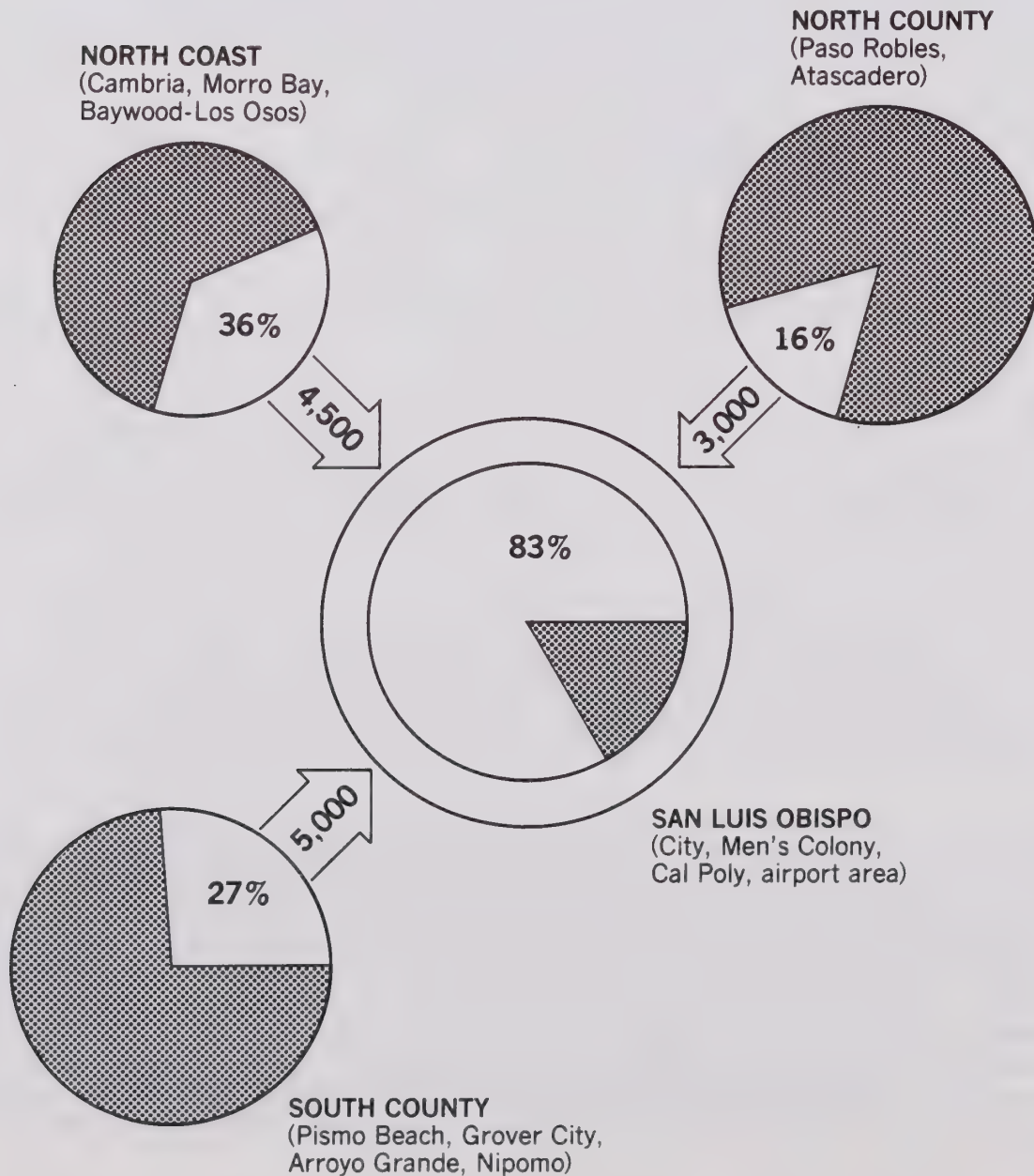
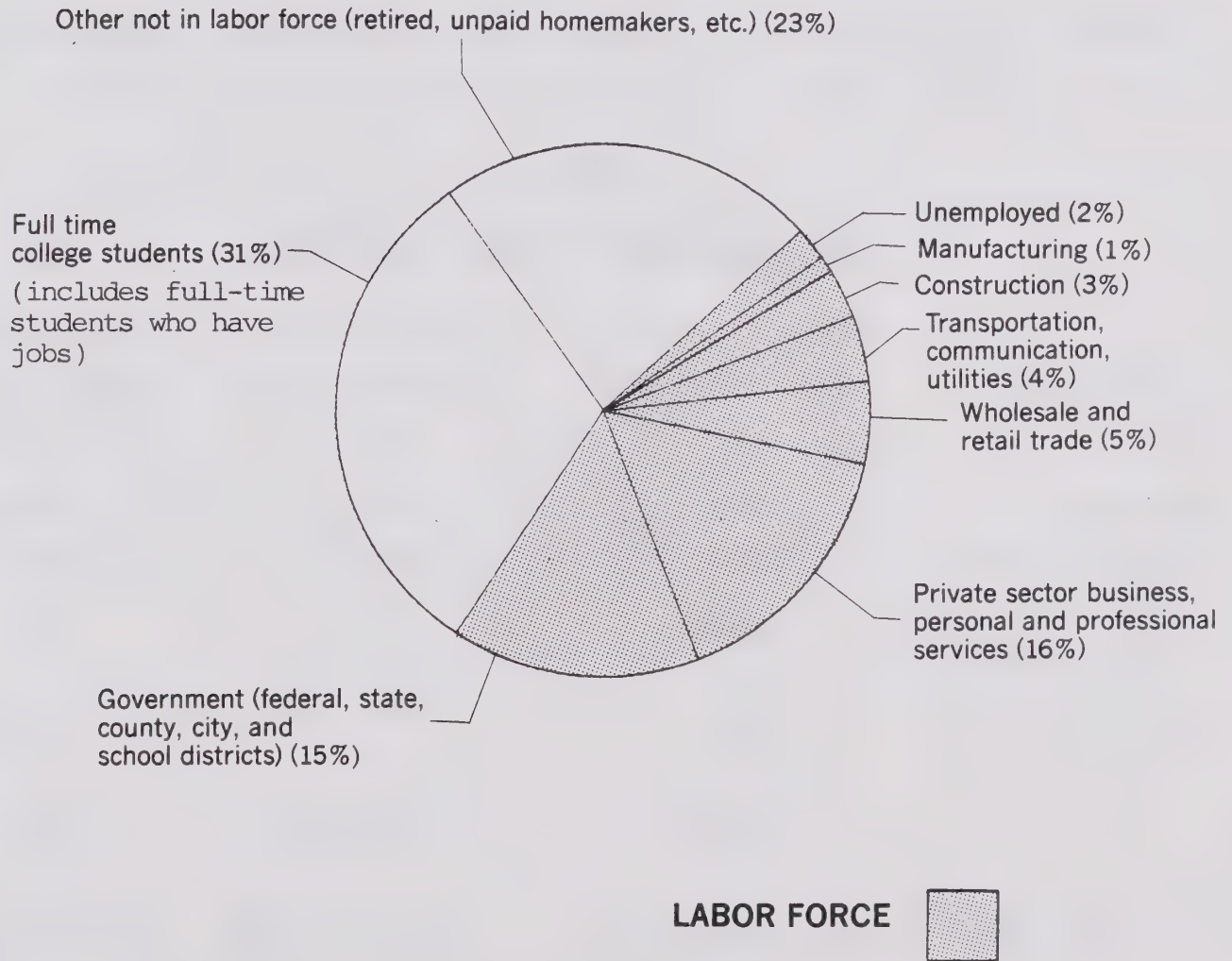




FIGURE 3

## LABOR FORCE AND EMPLOYMENT

This chart shows the proportions of total city adult residents who work in various sectors and those who are college students or who are otherwise not part of the labor force.



Source: City of S.L.O. Community Development Department (1980 U.S. Census).

TABLE 1

## San Luis Obispo Housing Market Area - 1985

<u>Area</u>	<u>Population</u>	<u>City pop. as % of area pop.</u>	<u>Number of housing units</u>
City of San Luis Obispo	38,200	100%	16,250
Community Area	41,500	92%	17,500
San Luis Obispo County	192,900	20%	78,360

Sources: San Luis Obispo County Planning Department; California Department of Finance

TABLE 2

## Household Type and Size

	<u>CITY</u>		<u>COUNTY</u>
<u>Household Type</u>	<u>Est. number, 1985</u>	<u>1980 Percentage</u>	<u>1980 Percentage</u>
One Person	3,880	26.4	22.9
Families	7,420	50.5	67.1
(married couple)	(6,030)	(41.0)	(57.3)
(single householder with dependents) (a)	(1,400)	(9.5)	(9.8)
Two or more people, nonfamily	3,400	23.1	10.0
	<u>14,700</u>	<u>100%</u>	<u>100%</u>
<u>Household Size</u>	<u>Est. Number, 1985</u>	<u>1980 percentage</u>	<u>1980 percentage</u>
1	3,880	26.4	22.9
2	5,590	38.0	39.3
3	2,430	16.5	16.0
4	1,940	13.2	13.3
5	560	3.8	5.3
6+	300	2.1	3.2
Average Size (1986):	2.392		2.547

Note (a): 7.4% of total households have single female head with dependents.

Source: 1980 U.S. Census; California Department of Finance



TABLE 3

## Population Ages

<u>Age</u>	<u>CITY</u>		<u>COUNTY</u>
	<u>Est. Number of People, 1985</u>	<u>1980 Percentage</u>	<u>1980 Percentage</u>
Under 5	1,337	3.6	5.9
5 - 13	2,675	7.2	10.4
14 - 17	1,597	4.3	5.5
18 - 24	12,930	34.8	18.7
25 - 34	6,130	16.5	17.7
35 - 44	2,786	7.5	9.7
45 - 54	2,489	6.7	8.4
55 - 64	2,972	8.0	10.3
65 and over	4,235	11.4	13.4
Median age:	25.1 years		29.9 years

Source: 1980 U.S. Census

TABLE 4

## Population and Household Projections

	CITY			COUNTY	
	Jan. '84	July '90	Change	Jan. 1984	July 1990
Total Population	36,420	43,030	6,610	175,797	200,500
Group Quarters Pop.	1,696	1,900	204	10,255	n.a.
Total Households	14,447	15,833	1,386	64,870	77,000
Households/Income Grp.	No.    %	No.    %		%	%
Very low	4,912    34	4,750    30	-162	27	27
Other lower	2,023    14	2,375    15	+352	15	15
Moderate	2,600    18	3,167    20	+567	20	20
Above Moderate	4,912    34	5,541    35	+629	38	38

### Definitions of Income Groups

State law has defined income groups. Under these definitions, each household size has its own income ranges. The income ranges and 1986 dollar amounts for a four-person household are:

**Very Low Income:** Income not exceeding 50% of the median family income of the county (up to \$13,250).

**Other Lower Income:** Income between 50% and 80% of the median family income of the county (\$13,251 to \$21,200).

**Moderate Income:** Income between 80% and 120% of the median family income of the county (\$21,201 to \$31,800).

**Above Moderate Income:** Income above 120% of the median family income of the county (more than \$31,800).

The income ranges for other household sizes are calculated using household size adjustment factors. For example, the income ranges for a one-person household are .7 times the income ranges for the four person household for that income level.

Source: California Department of Housing and Community Development  
California Department of Finance - Population Research Unit



## Population Projections

Demand for additional housing will be determined by household formation and net migration to the housing market area, which in turn are influenced by employment and enrollment changes. Because the city cannot accurately predict all of these factors, projections of population growth have been used. These growth projections (Table 4) are based on the increase in the number of households projected by the California Department of Finance as interpreted by the California Department of Housing and Community Development. The projections assume that recent trends will continue.

Any projections beyond the year 1990 or above a population of about 42,000 are speculative, since the city has not secured a supplemental source of water. Also, the city's general plan (first stated in the Land Use Element adopted in 1977) is premised on the city influencing the rate of population growth, not simply responding to projections.

Concerning the causes of population growth during the planning period:

- Manufacturing employment will continue to be insignificant.
- Cal Poly and Cuesta enrollment are expected to remain stable, with minor increases in faculty and staff as instructional programs change and deferred maintenance is carried out.
- Several motels, a large hotel, and a regional shopping center will be completed, providing employment for some moderate income and above-moderate income people in managerial positions and a substantial number of service and clerical positions for lower-income people.
- The area will remain attractive to retired people of all income levels.
- Construction and service employment from offshore oil development may replace declining construction employment following completion of Diablo Canyon power plant.
- Employment in medical, financial, legal, and other services will grow in proportion to population increases, providing a range of jobs at service, technical, and professional levels.

## State Housing Needs Plan

Using the projection of household growth, the state Department of Housing and Community Development has prepared estimates of "basic construction needs" for the city. State law requires the city to incorporate this assessment of need in the housing element. Similar assessments have been made for the unincorporated part of the county and the other cities within the county. According to the state determination, the City of San Luis Obispo should accommodate 1,630 additional dwellings from January 1984 to July 1990. This amount includes about 1,430 dwellings for additional households, allowing for vacancy rates of two percent for owner-occupied and six percent for renter-occupied dwellings, and about 200 dwellings to replace those expected to be lost due to demolition or conversion to other uses.

This assessment means the city should accommodate, on average, about 300 new dwellings per year between 1984 and 1990.

Considering the 1,125 dwellings built during 1984 and 1985, the state needs assessment implies about 500 dwellings should be built during 1986 through the first half of 1990, or about 110 dwellings per year during that period.

The state has also indicated that new construction should provide dwellings corresponding to the income groups defined in state law. In deriving this allocation of dwellings (indicated below), the state has assumed that the fraction of new dwellings for a particular income group should be the same as that income group's fraction of total households.

<u>Income Group</u>	<u>Housing Units (January 1984 - July 1990)</u>	
	<u>State Determination</u>	<u>City Determination</u>
Very low	488	70
Other lower	245	360
Moderate	326	570
Above Moderate	<u>571</u>	<u>630</u>
	1,630	1,630

The state's dwelling-construction determination, however, does not coincide with the state's household determinations ("Change" column in Table 4). For example, taken literally, the household change figures indicate that 162 dwellings accommodating very-low-income households could or should be removed. Instead, the city believes about 70 dwellings should be built, to replace those which will probably be lost due to use conversions (which are more likely to affect very-low-income households) and to provide subsidized housing for some households which are now overpaying (Table 9). The city's determinations for other income groups closely follow the expected change in numbers of households provided by the state (Table 4).

Current building trends indicate that the total "basic construction needs" will easily be met, but that the city should do more to encourage housing for low- and moderate-income households.

### Housing Types

San Luis Obispo's existing housing stock includes a wide range of dwellings from downtown "Victorian" single-family houses to large, high-density apartment complexes. Table 6 summarizes the general housing types in the city. Group quarters -- residential facilities where occupants do not have their own kitchens, such as student dormitories -- are not included in this table. With the exception of group quarters and mobile homes, each of the city's neighborhoods contains a variety of single-family and multi-family housing.



## Owners & Renters

Slightly more than one-half (53%) of the city's households rent their dwellings (mobile home owners are not considered renters in these statistics, even though they rent their spaces.) According to the 1980 U.S. Census, about 27 percent of all detached houses are occupied by renters. In the county as a whole, about 40 percent of all households rent.

## Housing Condition & Rehabilitation Needs

The city's housing stock is generally in very good condition. Most of it has been built since 1950. Since the early 1970's, significant renovation has occurred in the older, central area without public assistance. However, many dwellings require continued maintenance to prevent deterioration and some dilapidated houses are uncomfortable or unsafe.

City staff estimates that about 150 dwellings (one percent of the housing stock) need substantial rehabilitation based on 1980 census data and 1979 "Windshield" surveys. Substantial rehabilitation includes work such as new roof sheathing and covering, foundations, or wiring. During 1985 through 1990, about one-half of those dwellings now needing substantial rehabilitation will probably be replaced by private development and about one-quarter will be rehabilitated without public assistance. The number rehabilitated with public assistance will probably balance the number of dwellings which will become dilapidated. The city can expect that, within the time frame of this element, the fraction of the city's housing stock which is dilapidated will stabilize at less than one-half percent.

Most dilapidated dwellings appear to have one or more of these characteristics:

- Rental properties, occupied by tenants with short-term stays (students);

- Older structures (pre-1940);

- Owner lives outside the community;

- Owner is elderly or the property is not under the control of one person;

- Zoning would allow higher density or a nonresidential use.

In addition to the units needing rehabilitation, about 50 dwellings have deteriorated to the point that rehabilitation would be economically infeasible. They should be replaced.

## Construction Trends

During the last decade, an average 314 new dwellings have been built each year and about 18 have been lost each year due to fire, demolition, or conversion to another use (Table 7). The annual rate of building has generally followed cycles in the national economy. Slightly more than one-half of all new dwellings have been in multi-family projects (apartments and condominiums). During the late 1970's, most large, multi-family projects were condominiums, though about one-half of all condominium units were occupied by renters rather than owners. During the early 1980's, large apartment projects were again being proposed and built.

TABLE 5

## Population Races

	<u>Percentages 1980</u>	
	<u>City</u>	<u>County</u>
White	88.6	85.5
Black	1.3	1.7
Asian, Pacific Islander, American Indian	2.8	2.7
Other	.8	.6
Spanish origin	6.5	9.5

Source: 1980 U.S. Census

TABLE 6

## Housing Stock - 1985

Type of Dwelling	<u>City</u>		<u>County</u>
	Number	Percent	Percent
Single-Family	8,021	50.8	65.8
Multifamily	6,953	40.8	22.5
Mobile Homes <sup>*</sup>	1,279	8.4	11.7
	16,253		

Source: California Department of Finance

\* January 1986 City survey found 1,524 mobile homes, which would indicate a total of 15,721 dwellings, of which 9.7 percent are mobile homes.



TABLE 7

## Housing Construction: 1976 Through 1985

<u>Year</u>	<u>Total Dwellings Authorized by Building Permits</u>	<u>Dwellings or Mobile Home Park Spaces Completed</u>				<u>Losses; Conversions Demolitions</u>	<u>Annual Net Increase</u>
		<u>Single-Family</u>	<u>Multifamily</u>	<u>Mobiles</u>	<u>Total</u>		
1976	236	167	171	1	339	9	330
1977	502	149	123	0	272	17	255
1978	226	72	223	0	295	12	283
1979	366	162	191	88	441	26	415
1980	162	102	76	0	178	38	140
1981	127	106	164	0	270	19	251
1982	77	50	34	1	85	10	75
1983	548	97	39	0	136	15	121
1984	585	120	205	0	325	11	314
1985	468	168	632	0	800	23	777
Annual Average 1976-85	330	119	186	10	314	18	296

Source: City of San Luis Obispo Community Development Department

## Affordability

Housing's affordability is determined by its cost and by occupants' income and other sources of purchasing power. All types of housing involve both initial or "move-in" costs and continuing costs. In owner-occupied housing, part of the cost is also an investment.

By a comparison of general statistics, housing in San Luis Obispo appears to be less affordable than in the county as a whole: the city's 1979 median household income was about 89 percent of the countywide median, while the value of owner-occupied housing in the city was 13 percent more than the countywide value, and median city rent was 14 percent more than the countywide figure. The income difference is due largely to the many student households in the city, while the cost difference is due to:

San Luis Obispo's stronger attraction as an employment and enrollment center, and worker's desire to avoid the cost and inconvenience of commuting;

Lower land and improvement costs in other communities, some of which have large reserves of vacant lots with no requirements for paved streets or public sewers, and where sandy soils allow less expensive foundations;

San Luis Obispo's stronger attraction due to convenience of trade and services and due to its climate, which is less foggy than the coast and less extreme than the Salinas Valley.

Tables 8 and 9 summarize affordability in terms of the fraction of income spent on housing by owner and renter households, at various income levels. These tables indicate about eight percent of all low-income, owner households spent more than 25 percent of their income on housing, while about 52 percent of all low-income, renter households spent more than 25 percent of their income for housing. ("Low-income" means less than 80% of the countywide median. The state has established 25 percent of income for low-income households as a criterion for housing affordability.)

If the 1980 percentages remained valid, in 1984 about 560 low-income owner households and about 4,000 low-income renter households paid more than the state criterion for affordable housing. However, in San Luis Obispo such measures of affordability are likely to be misleading for these reasons:

1. Most student households, including many families headed by students, have buying power which is not reflected in their current income (parental support, loans or savings, parental housing ownership).
2. Student households are very fluid. Individual students usually stay in the community less than four years, and an individual may belong to several different households during that student's stay. The fraction of income spent on housing may be less than 25 percent over a period including time before and after their stay in the community.



3. Many households have housing equity or other assets which create more buying power than current income would indicate. This is true of the estimated 1,400 low-income households which spent less than 25 percent of their income for housing.

Within the market area, low- and moderate-income renters seeking owner housing and recently formed, low-income families have the most difficulty affording desired housing in San Luis Obispo.

**TABLE 8****Owner's Housing Cost In Relation To Income**

1980 Percentage of owner households

Income ranges - 1979 dollars

Owner costs as Percent of income	0 - 4,999	5 - 9,999	10 - 14,999	15 - 19,999	20,000+
0 - 19%	1.2	6.9	6.9	6.5	47.8
20 - 24%	0.5	1.0	1.7	0.7	5.9
25 - 34%	0.3	1.0	1.2	0.7	6.5
35+%	3.3	2.7	1.6	1.4	2.2

Source: 1980 U.S. Census

**TABLE 9****Renters' Housing Cost in Relation to Income**

1980 Percentage of renter households

Income - dollars in 1979

Rent as percentage of income	0 - 4,999	5 - 9,999	10 - 14,999	15 - 19,999	20,000+
0 - 19%	0.2	1.1	3.4	5.4	10.9
20 - 24%	0.7	2.5	3.1	2.6	2.4
25 - 34%	1.6	5.4	7.0	3.7	1.3
35+%	21.0	19.0	7.5	1.2	--

Source: 1980 U. S. Census



## Obstacles to Production of Affordable Housing

This element considers two aspects of affordable housing. One is producing a given type and quality of housing at the lowest cost. This section focuses on the second aspect, the state definition of housing affordable to low-income and moderate-income households. Also, this element recognizes that new housing generally will be the least affordable, since it must reflect or include subsidies to offset the current costs of land, construction, and financing, while older housing — though it is subject to the same market pressures — tends to be the most affordable. Major obstacles to production of affordable housing in San Luis Obispo are:

### Expectations & Resources

Everyone would like better housing for less money. Ideas of acceptable housing have changed dramatically in the last generation, as shown by a comparison of tract housing built around 1960 vs. today. Detached houses are generally larger and include more built-in features and amenities. Even many attached condominiums, which have become owner-occupied "starter" housing, include more indoor space and amenities than older detached housing. Households forming and seeking housing today are generally children of the generation which experienced the greatest increase in real housing buying power, and their expectation is the large, detached home of their parents.

From a global perspective, housing in San Luis Obispo is a bargain in terms of what can be obtained for a given time worked. However, the expectations of those seeking housing often conflict with the premium paid for living in California in comparison with some other areas of the country, and for living in San Luis Obispo, in comparison with some other areas of the state.

Also, aside from the balance of supply and demand reached by the housing market at any moment, most developers, buyers, and sellers of housing are aware that the amount of land in the city and the amount of water available to support development are limited, while demand for housing -- due to migration -- is potentially unlimited. While the land and water factors have not had an immediate effect on supply, they are part of the cycle of expectations which determines housing costs. The city's general plan, by recognizing resource limits, contributes to the general awareness. The general plan states the community's preference to grow within resource limits, which is a basic obstacle to production of more affordable housing.

The city is exploring the issue of supplemental water. Obtaining additional water supplies would remove one obstacle to production of housing.

### Migration and Differences in Buying Power

So long as the housing market area and the rest of the state have a reserve of "above-moderate-income" households who would prefer to live in the city, their buying power and housing preferences will tend to determine the type and cost of newly built housing. Growth of employment and college enrollment has caused a steady influx of such households. Developers will tend to produce the most expensive housing that the market can bear. Land values alone will prevent them from building housing affordable to low-income households which do not command

other buying power. Because developers will seek to build on more land than can be used at one time by above-moderate-income households, they will build some purchase and rental housing affordable to moderate-income households. (Also, some sites will not accommodate the preferences of most above-moderate-income households.)

Buying power of households with moderate or higher income will continue to set upper and lower limits to housing costs, regardless of city actions. City efforts to reduce migration pressures have had little success.

### Land Costs

Land costs (including the investment cost of holding land until development) make up a large and growing share of housing costs (Figure 4). The factors mentioned above contribute to high land costs. Expensive housing is built on expensive land. Annexing a sufficient quantity of buildable land to significantly affect land costs could influence citywide affordability but would incur substantial public facilities costs and environmental costs (roads, water supply, and sewage treatment and loss of air quality, farmland, and scenic open space). Without affordability performance standards, housing on recently annexed land would not necessarily be more affordable than housing built anywhere else.

So long as the landowner and developer expect a certain cost of land per unit, increasing the density allowed by zoning -- probably up to doubling -- will have an insignificant affect on land costs. A parcel which can be developed with 20 dwellings will cost about twice as much as the same size parcel which can be developed with ten dwellings. The consumer's costs due to land value for a given type of housing can be reduced only if density bonuses are tied to affordability.

As nearby communities face additional resource limits or the costs of overcoming them, their capacity to provide less costly, competing housing sites will decline. Also, as the more easily developed sites in the city are used, the remaining sites will be those more expensive to develop.

High land costs are the primary obstacle to developing more subsidized rental apartments using federal funds. Federal cost rules set limits on land cost per dwelling which are usually exceeded by land costs in the city. High land costs mean fewer subsidized apartments can be built with a given amount of money.

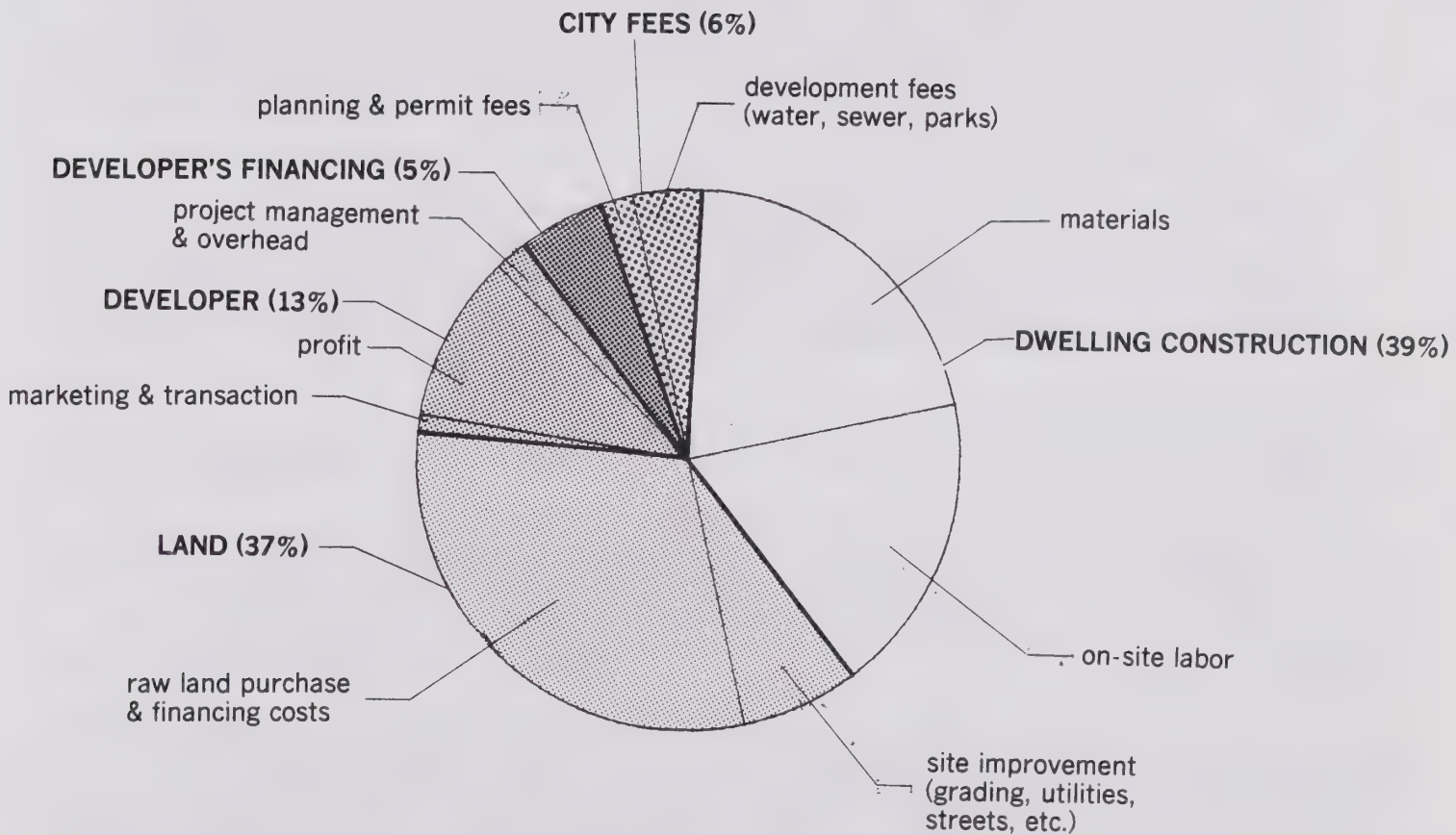
### Financing, Material, and Labor Costs

Second after land costs, financing costs have been the fastest growing component of housing costs. Both construction and long-term loan interest rates increased dramatically between 1980 and 1982. Though rates declined during 1983 through 1986, 1986 rates are still higher than historical averages. The city cannot influence market interest rates (though it has provided or enabled below-market-rate financing for some projects.)



FIGURE 4

## ESTIMATED COMPONENTS OF INITIAL SELLING PRICE: NEW MODERATE-COST DWELLING - 1984



Note: Actual fractions will vary with project size, location, intended market, density, and relationships among landowner, investors, and developer.

Source: City of S.L.O Community Development Department.

Substitution of newer materials and more efficient use of labor have offset some cost inflation and additional construction requirements over the last twenty to thirty years. Costs of material and labor have declined as a fraction of total housing production costs. Roof trusses and modular or factory-built housing components do offer cost savings. Also, factory-built housing tends to be placed on smaller parcels with fewer public improvement requirements.

#### Lack of Subsidies

During the 1960's and 1970's, the federal government provided significant funding to subsidize rental housing for low-income households. Funding levels for new housing in the 1980's are much lower. Unlike metropolitan areas which are entitled to certain "community development" funds from federal and state programs, San Luis Obispo must apply for assistance for which other relatively small communities compete. In relation to the other communities, the city's housing stock is in better condition and its residents are more affluent, giving San Luis Obispo lower priority for funding.

Congress has also limited tax-exempt bond financing which San Luis Obispo and other communities have used to reduce development costs for rental housing or to reduce mortgage payments for purchase housing. Such bonding is now limited at the statewide level, and a formula apportioning potential bond sales to local jurisdictions has been developed.

#### Cost of Government Regulations

Government requirements are sometimes identified as obstacles to production of affordable housing.

State standards which make new housing better insulated and more resistive to fires and earthquakes also make the sales or rental price higher. The standards also reduce such continuing housing costs as utility bills and insurance premiums. San Luis Obispo's construction codes are, with few exceptions, uniform codes used throughout the state.

San Luis Obispo's zoning regulations provide for a range of densities, from a maximum 7 dwellings per acre to a maximum of 24 two-bedroom units per acre in residential zones, and up to 36 two-bedroom units per acre in commercial zones. Parking and setback requirements and height and coverage limits allow the maximum densities to be realized on all but small, odd-shaped, and/or steeply sloping sites. The city has no minimum floor area requirements, nor does zoning determine whether dwellings will be attached or detached, or renter or owner occupied. The regulations do not distinguish between manufactured and site-built housing. Several exception procedures and the "planned development" and "specific plan" zones allow flexibility in site planning and building design.

The city's subdivision regulations set procedures for subdividing land and general requirements for public facilities such as streets and utility lines in new subdivisions. Specific requirements for materials and construction techniques are adopted as policy by the city council, on recommendation by the Public Works Department. Special limits and requirements are often set by the council in approving individual subdivisions. Separate condominium regulations set open-space, solar heating, and storage requirements which are not applied to rental housing.



The city's grading regulations set limits and procedures for earth-moving, generally to prevent mass recontouring and erosion and to assure stable building sites.

The only way to determine the actual cost effects of the various regulations would be to suspend them in a certain area and see what consumers would demand and pay for if the choices were made only by them and developers. The regulations do not appear to be major obstacles to production of affordable housing.

While the city does not have requirements for architectural style, it does require architectural review for multifamily housing projects and single-family tracts. This review typically adds six to eight weeks to the time between project conception and beginning construction. With the possible exception of landscaping requirements, architectural review does not result in project development costs above those prevailing in the housing market area.

The city processes development applications within the time limits of state law: generally, six months from receipt of a complete application to action for projects which will not have a significant environmental impact, and one year for projects with significant environmental impacts. Often, the time taken by a developer between approval of preliminary plans or subdivision maps and submittal of final plans or maps exceeds the time to process the original application. City processing time results in higher costs than if no city processing were required, but it is not a major factor compared with the items above.

City development procedures and fees are summarized and compared with other agencies in Appendix E.

The effects of the city's residential growth management regulations are discussed beginning on page .

### Existing Subsidized Housing

About 685 units of subsidized rental housing have been built in the city. One-quarter of these dwellings are owned by the Housing Authority, while the rest are privately owned but have received subsidized financing or rents through federal programs. Subsidized apartments for families and for elderly have been built in many city neighborhoods. About 40 percent of the subsidized rental dwellings in San Luis Obispo County are within the city.

## Vacant Land Inventory

Planning staff has prepared an inventory of vacant, residentially zoned land within the city, summarized in Table 10. The complete inventory, which may be updated from time to time, is included in Appendix A. The inventory distinguished between land that had or is programmed to have adequate access and utilities, enabling development before 1990, and land which due to inadequate access or utilities probably could not be developed until after 1990.

Generally, single family houses are built in the R-1 zone, while multifamily housing is built in the R-2, R-3, and R-4 zones. Immediately developable land could accommodate up to 1,096 single-family houses and 1,012 multifamily dwellings. Projects which have been approved by the city and which began construction in 1985 or which are expected to begin in 1986 will use a significant part of the immediately developable land. Immediately developable land can accommodate about one and one-half times the number of dwellings called for by the state housing needs assessment during 1985 through 1990.

## Redevelopment and Intensification

Additional housing can also be accommodated by replacing commercial buildings in residential zones with housing (redevelopment) and by adding more dwellings to a residential property which is not developed to the maximum density allowed by zoning (intensification). Intensification occurs as older dwellings are replaced with multifamily housing and as units are added to properties which are already developed. The term "redevelopment" does not imply any city intent to require or assist new construction, though the city's Zoning Regulations encourage replacement of incompatible nonresidential uses with residential uses in the residential zones.

Staff has estimated that developed areas could accommodate about 550 additional dwellings through redevelopment and intensification. This estimate does not reflect the difference between the number of existing dwellings and the maximum number which could be built if all developed areas were cleared and rebuilt. It is based on the number and types of projects which have been built in developed areas. In most cases, about one-quarter of the parcels in a developed block in the multifamily zones could accommodate some additional development within the time frame of this element. The estimate does not include dwellings which could be built under the city's "second unit regulations", which allow, with special approval, small attached dwellings in areas where normally only single-family houses are allowed. The assessment of redevelopment and intensification potential is included in Appendix B.

## Mixed-use Development

The city's zoning regulations allow residential uses in the neighborhood-, retail-, central-commercial, and office zones. New housing is rarely developed in such



areas; however. New housing in these zones is likely to be either for small, affluent households or subsidized units for the elderly.

New dwellings built on redevelopment, intensification, and mixed-use sites will probably balance the housing lost as dwellings are replaced with businesses in office and commercial zones.

#### Sites for Manufactured Housing

Manufactured housing (modular units and "mobile homes" on permanent foundations located outside mobile home parks) is treated the same as conventional site-built housing under the city's zoning regulations and architectural review requirements. Therefore, all the vacant land identified in Table 10 is available to manufactured housing. However, several practical limitations apply:

Developers not choosing to use manufactured housing have received approvals for projects on most of the land;

Some sites are too steep to allow placement of typical manufactured units without expensive foundations which would cancel out potential cost savings;

The higher-density sites are not likely to be used for manufactured housing because local developers have no experience with prefabricated multifamily housing; transportation costs would probably cancel out savings from use of off-site labor;

Some tracts have private deed restrictions which would prevent placement of mobile homes.

Sites for new large mobile-home parks or mobile home park expansion are very limited. While mobile home parks are allowed with use-permit approval in the R-1 (low density) and R-2 (medium density) zones, the practical constraints listed above apply. Unless the Edna-Islay Specific Plan is amended to allow mobile home parks, new ones probably will not be built during 1985 to 1990. The city has chosen not to limit development to certain forms of housing in certain areas (such as permitting mobile home park development only) nor has it forecast demand for certain forms of housing.

#### Sites for Subsidized Rental Housing

The amount of land which is physically suitable for federally subsidized rental housing is not expected to be a constraint (Table 11). The criteria for considering a site suitable for such housing are:

Slope less than 5%;

No major water, sewer, drainage, or street deficiencies;

Allowed density at least 12 dwellings per acre;

Site would accommodate a development of at least 10 units;

TABLE 10

## Vacant Residential Land

JANUARY 1985

<u>Zone</u>	<u>Density Range (a)</u> <u>(dwellings/acre)</u>	<u>Area</u> <u>(acres)</u>	<u>Dwelling Capacity (b)</u>		<u>Total</u>
			<u>1985-1990</u>	<u>After 1990</u>	
R-1	1 - 7	416	1,096	434	1,530
R-2	8 - 24	76	499	281	780
R-3	12 - 36	16	268		268
R-4	16 - 48	12	245		245
Total		520	2,108	715	2,823

## Notes:

- (a) The wide density range is due to reduction of density with slope and, in zones other than R-1, the density values assigned to dwellings with different bedroom counts.
- (b) Capacity in 1985-1990 indicates that the land has or is programmed to have adequate utilities and access during that time. Capacity after 1990 indicates that adequate utilities or access are not expected to be available during 1985-1990.

Source: City of San Luis Obispo Community Development Department

TABLE 12

## Population With Disabilities

<u>Condition</u>	<u>Percentage of</u> <u>1980 Population</u>	<u>Estimated number, 1985</u>
With work disability		
In labor force	2.3	838
Not in labor force		
Prevented from working	2.1	765
Not prevented from working	0.84	306
With disability that limits or prevents use of public transportation		
Age 15-64	0.41	149
Age 65 or older	1.6	583

Source: 1980 U.S. Census

Acceptable exterior noise exposure according to the City's Noise Element;

Vacant, with no architectural plans approved, in November 1985.

Land cost and the owner's willingness to sell were not considered in this evaluation.

TABLE 11

DEVELOPMENT POTENTIAL ON LAND AVAILABLE FOR SUBSIDIZED RENTAL HOUSING

Units on land available <u>1986 - 1990</u>	Units on land available <u>After - 1990</u>
100 <sup>a</sup>	50

Note: a - Assumes not more than 20 subsidized rental units are developed in any one of the first five phases of the Edna-Islay Specific Plan.

Source: City of S.L.O. Community Development Department

Article 34 Authorization

Article 34 of the California Constitution requires local voter approval of publicly owned, subsidized housing. (The approval is required for a certain quantity of dwellings, not actual projects.) In 1973, city voters authorized 150 units of such housing. Since then, 35 have been built and 17 have been acquired. Therefore, the city has authorization for 98 additional units.

Special Accommodations

People with various disabilities or misfortunes need accommodations which the housing market and conventional housing do not provide. Such accommodations are often a form of group housing involving care or supervision of the occupants. Such group-care facilities housing six or fewer residents are treated the same as single dwellings by the city's zoning regulations, so they are allowed without special approval in residential zones. Group-care housing with more than six occupants is allowed with use-permit approval in the residential zones other than R-1 and in one nonresidential zone. Table 12 indicates the number of city residents with certain disabilities.

Convalescent hospitals provide limited medical care. They generally accommodate older residents and those who do not need acute medical care but who cannot live independently. San Luis Obispo has two large convalescent hospitals with a combined capacity of 300. An influx of older residents to the county has lead to a shortage of convalescent space and transfer of those needing such accommodations outside the county. Several convalescent-facility expansions in the county are planned, but a shortage of space may be a continuing problem as the number of older residents increases. Developers of such facilities usually regard 100 beds as the minimum economically sized project. There are few vacant sites within the city, where developments are not already proposed, that are appropriate for such developments.



Those with multiple or severe disabilities require group living arrangements where care and supervision can be provided. San Luis Obispo has one large facility with about 90 occupants and one smaller facility for infants and young children. The demand for such accommodations is expected to grow at about the same rate as the overall population. Sites for large facilities of this type are limited, though moderately sized facilities could be accommodated in several areas.

Those recovering from alcohol and other drug dependencies and those making the transition from institutional to more independent living benefit from sheltered and supervised accommodations. San Luis Obispo has one rehabilitation residence with about ten occupants. Demand for additional facilities of this type can be met through houses for six or fewer residents and additional medium-sized facilities. Demand for such facilities is expected to grow at about the same rate as the overall population.

Disasters such as fire sometimes destroy housing for low-income residents who cannot afford temporary, market-rate accommodations. Also, family members must sometimes leave their households to avoid abuse. Emergency shelters accommodate these people. San Luis Obispo has had several emergency shelters, including accommodations for battered wives, provided by religious and social-service agencies. Finding permanent locations and stable funding has been difficult. No estimates of future demand are available.

San Luis Obispo has long been a stopping point for transients and those seeking seasonal work along the Pacific coast. The recession of the early 1980's, loss of manufacturing and agricultural employment in other areas, and release of previously institutionalized people has added to the number of homeless stopping in San Luis Obispo. Before, most homeless were young or middle-aged men, often with little education or with alcohol dependencies. Families and better-educated single people with part-time jobs have joined the traditional homeless. The number of homeless in the city probably varies between 30 and 50. No projections of the numbers of homeless likely to stay in the city are available.

The City Council has received a report from a council-appointed task force concerning the homeless and has allocated \$10,000 to a county-wide effort and the state has allocated funds for agencies providing emergency shelter.

Providing additional accommodations for transient homeless is a difficult choice. They are often seen as responsible for a disproportionate share of crime. Also, the more services an area provides, the more attractive it will be to the homeless, so success in solving a small problem may produce a larger problem.

The demand for farmworker housing in San Luis Obispo is insignificant.

The needs of large families and of families headed by single parents, including single women, are not considered separately from the needs of households at various income levels.

### Potential Loss Of Low- and Moderate-cost Housing

Older housing is generally more affordable than new housing. In attempting to provide for people at all economic levels, loss of relatively inexpensive existing housing could cancel gains made by building new housing. Many relatively inexpensive dwellings are in nonresidential zones or in residential zones where higher densities are allowed. Five older mobile home parks with 163 units are in commercial zones. These dwellings will eventually be replaced with other uses or newer, more expensive housing. Low- and moderate-income households will be displaced as this occurs.

Over the last ten years, an average 18 dwellings each year have been lost through fire, demolition, or conversion to other uses. Some of these dwellings were dilapidated. They should have been replaced to meet housing quality standards. Many, however, were sound, relatively low-cost housing. This rate of housing removal will probably continue. The number of low-cost units removed has and will probably continue to exceed the number of new, subsidized rental units built.

Conversion of existing rental apartments to condominiums also removes relatively low-cost rental housing. About one-third to one-half of condominiums are investor-owned and individually rented. The occupant of such an individually owned unit pays more for rent than if the unit were simply an apartment. There have been no condominium conversions since the city adopted the 1979 housing element and conversion regulations. However, since the limit on conversions is tied to rental apartment construction, and several hundred apartments have recently been built or approved, conversions could again eliminate a significant number of rental apartments.

### Occupancy Restrictions & Discrimination

Even without considering costs and incomes, not all dwellings are available to all households. Occupancy restrictions limit availability of certain types of dwellings to certain households. Occupancy restrictions are applied broadly in apartments and mobile homes. A 1975 apartment survey found 95 percent of apartments did not allow children, 81 percent prohibited pets, and 4 percent prohibited students. The survey found that 15 percent of apartments allowed married people only and three percent allowed students only. Court interpretations of state laws have banned discrimination against children, though it is still a factor in many landlord's decisions without being openly stated. A separate survey found that 82 percent of the spaces in mobile home parks were limited to adults, with some parks having a preference for older adults.

Discrimination based on race and marital status does not appear to be widespread in San Luis Obispo. Racial minorities are not concentrated within areas of the city.



## Occupancy & Crowding

Vacancy rates indicate the general availability of housing for those seeking a dwelling to buy or rent. Realtors and lenders have considered vacancy rates of two to four percent for owner housing and four to six percent for rental housing desirable ranges to provide choice for house seekers but not an oversupply that would jeopardize new developments. Vacancy rates reached historical lows of about one-half percent for owner housing and one percent for rental housing around 1975. The 1980 census and California Department of Housing and Community Development estimates from 1981 through 1985 have shown overall vacancy rates of about five percent, within the desirable range. Unlike some other communities in the housing market area, an insignificant fraction of San Luis Obispo's vacant dwellings are held for seasonal use.

During the 1970's, many people thought overcrowding was a serious local problem, as both unrelated individuals and families shared housing to make it more affordable. However, the 1975 special census indicated that about 500 households lived in what could be considered crowded conditions (for example, two people in a studio dwelling or three people in a one-bedroom apartment), while about 2,700 households lived in what might be considered under-occupied units (for example, one or two people in a three-bedroom dwelling). The 1980 census showed that less than one percent of all households had more than 1.5 people per room, an indicator of crowding. Nearly all such households were renters. The city has several apartment complexes intended to accommodate two students per bedroom. Crowding is not a serious or widespread problem.

## Residential Growth Management

The city and the natural environment have a limited capacity to accommodate growth. Rapid population growth itself causes more growth by increasing demand for construction, trade, and services. The remaining capacity to accommodate growth should not be used strictly on a first-come, first-served basis; affordable, conveniently located housing should have first priority. For these reasons, the City Council in May 1981 adopted temporary growth management regulations. In November 1982, the council adopted permanent regulations which included a schedule of maximum construction rates through 1999, when they will expire unless extended.

The regulations are intended to provide a steady, gradually declining rate of population growth, while causing minimum delay for small projects and for modest housing close to employment centers and Cal Poly. When the regulations were written, the state government was encouraging local governments to accept what was called their "fair share" of projected regional (countywide) growth. The regulations will accommodate that share, through 1990, which is now described in the state-prepared "housing needs plan" (page 15). They will allow development of at least 2,100 dwellings, while the housing needs plan calls for 1,630.

While the regulations have been in effect, the city has issued building permits for over 1,700 dwellings and city population has grown slightly faster than two percent per year. Partly because the city has modified and suspended the regulations and partly because the city granted exceptions for several major projects, few projects have been delayed more than one month beyond the date building permits were ready to be issued.



Once triggered by building levels which would cause population growth to exceed two percent per year for two years, which happened in 1984, the regulations can delay or prevent large projects from being completed. The regulations would most effect projects with more than 25 dwellings to be built as a single phase, particularly those within suburban expansion areas. Considering the types of projects likely to seek building permits during 1986 through 1990, the regulations will probably cause large multifamily housing projects throughout the city and single-family housing tracts in the Edna-Islay area to be built later than developers would prefer. By adding to uncertainty of financing and other development costs, the regulations may reduce the feasibility of housing projects. By preventing tracts from being built continuously, they will add to building costs.

Since the regulations exempt most custom home building and give the highest priority to housing affordable to low-income households, the regulations will have little effect on projects for the highest and lowest income residents. By delaying large multifamily projects and single-family tracts, the regulations would directly affect moderate-income residents the most.

The growth management regulations, in response to limited water supply, will prevent the housing stock from expanding after 1990 at the rate called for by the state in its housing needs plan. The regulations provide for a declining rate of growth around 1990, while the state's housing needs plan is based on the assumption that household growth should continue after that date in proportion to the growth experienced from 1980 through 1983.

The council is considering changes to the growth management regulations which would make their impact on a project known earlier during project review.

### How the City Has Helped Maintain Affordable Housing

Since the 1979 housing element was adopted, the city has taken the following actions to help maintain affordable housing:

1. Residential hotels: The city obtained a \$350,000 Community Development Block Grant to subsidize interest rates for rehabilitation loans. With this city help, a private developer renovated the Park Hotel, which now includes 20 units with subsidized rents. Also, the city has adopted regulations to discourage conversion of older downtown residential hotels, occupied largely by low-income seniors, to nonresidential uses.
2. Condominium conversion: The city has not allowed any rental apartments to be converted to condominiums. It has adopted regulations which would permit the number of units converted to condominiums to be at most one-half the yearly gain in rental apartments.
3. Rezoning: The city has denied several general-plan amendments and rezonings which would have allowed commercial developments in areas occupied by houses or apartments. The city has also changed some residentially developed land from commercial to residential zones.
4. Mobile home rents: The city had adopted mobile-home-space rent-increase limits. The rapid increase in mobile-home space rents has stabilized and part of the incentive for periodic resale of mobile home parks has been removed. The city action aided successful efforts to have similar limits established in unincorporated areas of the county.
5. Public projects: The city has postponed or abandoned some projects which would have displaced residents (arterial street realignment affecting a mobile home park and cultural facilities affecting a fraternity and apartments).
6. Growth phasing: The city has required phased development of large industrial and commercial projects, which will delay migration-causing employment growth and resulting demand for housing.
7. Mortgage subsidies: The city obtained California Housing Finance Agency mortgage assistance commitments which helped about 30 first-time homebuyers purchase modest dwellings. The city tried unsuccessfully to continue the program and to initiate a countywide program.

### How the City Has Removed Obstacles to Production of Affordable Housing

The following city actions since adoption of the 1979 housing element have helped to reduce the cost of new housing and to encourage housing production:

1. Public Housing: The city approved annexation for and development of 15 subsidized apartments for low-income families. Also, with city support, the county government made available to the city Housing Authority surplus land which accommodated 20 subsidized units.
2. Rezoning: The city rezoned some vacant land from nonresidential to residential designations.



3. Streamlined project review: The city has streamlined some steps in development review, including:

The Environmental Review Committee, Board of Zoning Adjustments, and Subdivision Review Board have been replaced by staff members with authority to act as individuals in the early stages of project screening;

Utility-capacity review has been better integrated with other staff actions;

Review of minor subdivision requests and final subdivision maps has been streamlined; fewer Planning Commission hearings are required.

Building permit applications are screened to identify items which may delay city action, which allows complete applications to proceed faster. Checklists to help applicants provide complete information have been updated. Deadlines for plan checking, related to project size, have been set.

4. Water and sewer lines: The city has continued to replace substandard water and sewer lines, in some cases enabling or hastening higher density housing projects in developed areas of the city.
5. Street abandonments: The city has abandoned several unneeded pieces of street right-of-way, enlarging adjacent development sites and enabling a few more dwellings than otherwise would have been possible. Most of the sites involved multifamily housing near downtown.
6. Reduced standards: The city now allows narrower lots for single-family subdivisions and tandem parking.
7. Major expansion: The city adopted a specific plan allowing the phased development of 590 houses and over 440 multifamily dwellings in the Edna-Islay area beyond the southeastern edge of the city. The plan also gives the Housing Authority a right to buy sites for assisted housing.
8. Multifamily housing: The city issued building permits for over 1000 multifamily dwellings, about 400 of them apartments within walking distance of Cal Poly.
9. Elderly housing: The city approved a substantial density bonus and other concessions for a mixed-use, elderly apartment project downtown and rezoned a site to accommodate a senior care facility in the southeastern part of the city.
10. Density incentives: The city adopted incentives guaranteeing density bonuses in accord with state law for projects including dwellings affordable to low- and moderate-income families.
11. Second Units: The city adopted regulations allowing small second dwellings on lots where normally only single-family houses are allowed. While special approval is required for the second units, the action was a compromise between those advocating fewer restrictions and those supporting a citywide ban on second dwellings.
12. Project financing: The city enabled below-market-rate financing for a 76-unit condominium (with no affordability guarantees) and a 168-unit apartment project (with guarantees that some units would be affordable).



13. Growth Management exceptions: The city approved exceptions to residential growth-management regulations for a 300-unit addition to a student apartment complex, a 36-unit condominium, and a 158-unit apartment project. The city also suspended the regulations for several months to accommodate a surge in building.
14. Hillside density: The city revised its zoning regulations to permit exceptions to density-reducing rules for sloping sites that are surrounded by higher-density housing built in the past.
15. Federal mortgage standards: The city helped the federal Department of Housing and Urban Development streamline its procedure for reviewing subdivisions in the city that involve Veteran's Administration (VA) and Federal Housing Administration (FHA) mortgages.
16. Park fees: The city has set upper limits on the fees subdividers must pay to help fund parks, when they do not dedicate land for parks. The limits significantly reduce what developers of condominiums have to pay in comparison with fees set at the market value of land which would be dedicated.

### Energy Conservation

Energy costs are a growing part of the total cost to occupy housing. City and state requirements are making new housing more energy-efficient. Heating and cooling new dwellings will cost significantly less than heating and cooling older dwellings of the same size. Older dwellings — many of them built before any insulation was required or routinely installed — represent a significant opportunity to save energy and reduce costs. Except for encouraging water conservation (which indirectly saves energy) the city has not actively fostered energy conservation in older housing. Utility companies and such agencies as People's Self Help Housing and the Economic Opportunity Commission have helped some households in older dwellings.

In San Luis Obispo, apartments (where utility costs are often paid indirectly through rent and the owner has less incentive to conserve) and mobile homes (most are poorly insulated) deserve special attention for residential energy conservation. Because of competing demands for services, the city has been unable to direct much attention to these problems. If development activity declines, the city may be able to redirect some effort from new development to conservation and maintenance of existing housing. The city has adopted an energy element for its general plan. Revisions to that element, anticipated before the next update of this Housing Element, would guide such a shift of attention.

### Housing Organizations

The following organizations provide housing services or represent housing consumers or producers in San Luis Obispo:

California Rural Legal Assistance  
1103 Toro Street  
San Luis Obispo, CA  
544-7994

Citizens for Affordable Housing  
541-2615

Housing Authority - City of San Luis Obispo  
487 Leff Street  
San Luis Obispo, CA  
543-4478

Human Relations Commission - City of San Luis Obispo  
979 Palm Street  
San Luis Obispo, CA  
549-7150

Mobilehome Owner's Tenants Association of San Luis Obispo County  
528-6936





## IMPLEMENTATION: HOUSING PROGRAMS

Programs are actions which the city intends to carry out or which the city is relying on other agencies to carry out. Most programs have a time frame within five years after adoption of this element.

Each program includes a statement of the action to be taken, the agencies or officials responsible for the action and, when possible, a measurable objective to be attained by a certain date. The amount and source of funding are also identified. The city's housing programs are:

### Housing Production

1. Through specific-plan phasing provisions, project approvals, and capital investment, the city will enable construction of about 1,600 dwellings during 1984 through 1990.

Responsible agencies: Community Development Department; Public Works Department; City Council.

Objectives: An average 300 new dwellings per year, of which about one-half will be multifamily.

Funding: To be identified in capital improvement programs adopted with city budgets.

Time Frame: January 1984 through July 1990.

2. The city will seek Community Development Block Grants (CDBG) and other state and federal funding to obtain and prepare suitable sites for assisted housing. City actions could include acquiring sites and selling or leasing them at below-market rates (land "write-down"), providing direct land-purchase subsidies, or paying for water and sewer mains or street and sidewalk construction ("infrastructure") required for housing projects. The sites could be either vacant land or parcels in residential zones which are occupied by detrimental, nonconforming uses. The city will give highest priority to economical production of assisted units, with replacement of nonconforming uses having lower priority.

Responsible agencies: Community Development Department; City Council, Housing Authority.

Objectives: Produce on average 15 units per year of subsidized rental apartments.

Funding: Community Development Block Grants and other sources

Time Frame: CDBG Application: 1986 or 1987; Project Completion: 1987 - 1990

3. Amend the Edna-Islay Specific Plan to allow mobile home parks in that expansion area.

Responsible agencies: Community Development Department; Planning Commission; City Council.

Objectives: Identify potential sites for up to 160 mobile homes in the Edna-Islay area and in other areas.

Funding: Not applicable.

Time Frame: 1986.

4. The city will advocate development of additional student housing on the Cal Poly campus. It will help other advocates document the need for such housing to relieve pressures on the city's housing stock and transportation systems. The city will provide technical help to Cal Poly and will investigate use of state land or funds and federal funds to provide housing affordable to students from low- and moderate-income families.

Responsible agencies: Community Development Department; City Council

Objectives: Development of about 50 additional dwellings.

Funding: Not known.

Time Frame: 1986 through 1990.

#### Housing Assistance and Affordable Housing

5. The city will encourage construction of about 120 subsidized rental units during 1984 through 1990. Additional existing units may be acquired by the Housing Authority or developed by private, non-profit sponsors.

Responsible agencies: City Housing Authority; California Department of Housing and Community Development; U.S. Department of Housing and Urban Development.

Objectives: Develop about 18 units per year average.

Funding: State and federal grants.

Time Frame: 1986 through 1990.

6. The city will make available for assisted housing suitably located surplus city land. Such property may be sold or leased at or below market rates. If made available at less than market rates, the city may obtain equity participation in the project, to be recouped if the site is transferred. Property exchanges involving sites which are not suitable for housing may be considered.

Responsible agencies: City Housing Authority; City Council.

Objectives: Refer city-owned properties to the Housing Authority prior to sale.

Funding: None. (Land sold at less than market rates would represent potential revenue loss.)

Time Frame: Continuing.

7. Funds repaid from Community Development Block Grant (CDBG) housing-rehabilitation loans will be "recycled" through housing rehabilitation programs.

Responsible agencies: City Community Development Department; City Council.

Objective: Reuse funds as they become available and in conformance with federal regulations.

Funding: About \$9,500 per year is expected in repayments, during 1985 through 1989, and \$25,000 per year beginning in 1990.

Time Frame: 1986 through 1990.

8. The city will enable issuance of mortgage revenue bonds for (1) below-market financing for assisted rental units and (2) subsidized mortgages for low-income and middle-income, first-time homebuyers.

Responsible agencies: City Housing Authority; City Community Development Department; City Council.

Objective: Report and recommendations to the City Council concerning issuance of tax-exempt mortgage revenue bonds to be available by December 1986.

Funding: Administrative or special studies budgets.

Time Frame: Continuing.

9. Residential growth-management regulations will give highest priority to subsidized housing.

Responsible agencies: City Community Development Department; City Council.

Objective: No impedance of assisted housing.

Funding: Not applicable.

Time Frame: Continuing.



10. Any specific plans for major residential expansion areas will require -- but need not delineate -- sites suitable for subsidized rental housing and modest, owner-occupied housing. Such sites may but need not employ density bonuses for housing affordable to low- and moderate-income households.

Responsible agencies: City Community Development Department; Planning Commission; City Council.

Objective: Adequate sites to take advantage of available assistance programs, as specific plans are approved.

Funding: Not applicable.

Time Frame: Continuing.

11. The city will provide density bonuses or other incentives for housing affordable to low- and moderate-income families, in accord with the regulations adopted in 1985. The city will inform prospective developers about the incentive program.

Responsible agencies: City Community Development Department; City Council.

Objectives: Include housing affordable to low- or moderate-income families in all major housing projects proposed during 1986 through 1990.

Funding: City general fund.

Time frame: Continuing.

12. If the city obtains a supplemental source of water, and water and sewage treatment capacity, which would enable development of one or more of the major residential expansion area named in the Land Use Element, the expansion area with the best proposal for affordable housing will be considered first for development. Specific affordable-housing proposals meeting at least the standards of Policy I.F will be included in all expansion-area specific plans. The proposal with the highest proportion of dwellings which are affordable to low-income (including very-low-income) households, in a range of sizes, will be considered the best for purposes of this program.

Responsible agencies: City Community Development Department; City Housing Authority, Planning Commission, City Council.

Objectives: Link expansion of the city to increased housing opportunities for low- and moderate-income households. The approximate capacities of the expansion areas and the minimum number of affordable dwellings are:

<u>Expansion Area</u>	<u>Approx. Maximum Total Dwellings</u>	<u>Dwellings Affordable to:</u>		
		<u>Very-low</u>	<u>Low-</u>	<u>Mod.-Income</u>
Irish Hills	600	30	60	300
Dalidio	1,100	50	100	500
Margarita	500	20	50	250
Orcutt	1,000	50	100	500
TOTAL	3,100	150	310	1,550

Funding: Specific plan preparation/processing fees; city general fund.

Time frame: After 1990.

#### Housing Conservation

13. The city will assist rehabilitation of houses and small apartment buildings, in older residential areas of the city.

Responsible Agencies: City Housing Authority; City Community Development Department; City Council.

Objective: Rehabilitate about 30 units during 1986 through 1990.

Funding: Repayment of 1980 \$350,000 federal Community Development Block Grant (CDBG) loan, possibly supplemented by general funds to expand the loan pool in early years.

Time Frame: Continuing.

14. The city will enforce building codes and abate those conditions which are an immediate threat to the health and safety of occupants. If current development activity allows, code enforcement will expand beyond responding to complaints. The city will explore consolidation of existing enforcement programs.

Responsible agencies: City Community Development Department; Fire Department; Public Works Department.

Objective: Expanded discovery and correction of hazardous conditions.

Funding: City general fund.

Time Frame: Continuing.

15. The city will continue to assist the efforts of other agencies to help low-income, elderly, and handicapped residents maintain and repair their dwellings.

Responsible agencies: People's Self Help Housing Corporation; County Economic Opportunity Commission; County Social Services Department; City Council.

Objective: Continued availability of assistance to most needy households.

Funding: Repayment of 1980 CDBG loan funds.

Time frame: Continuing.

16. Changes from residential to non-residential land-use designations will be minimized.

Responsible agencies: Planning Commission; City Council.

Objectives: Consistent actions on general-plan-amendment and rezoning proposals.

Funding: Not applicable.

Time Frame: Continuing.

17. The competing demands for modest owner-occupied housing and for rental apartments will continue to be balanced in favor of maintaining affordable rental units, through regulation of condominium conversion.

Responsible agencies: Planning Commission; City Council.

Objective: Minimum conversion of low-cost apartments.

Funding: Application fees.

Time Frame: Continuing.



18. The city will support Housing Authority efforts to maintain public housing projects.

Responsible Agencies: Housing Authority; City Council.

Objectives: Prolonged life, greater safety, and greater energy-efficiency for authority-owned rental housing. Modernize 48 apartments in 1985-86.

Funding: Housing Authority budget and supplemental federal grants.

Time Frame: 1985 and continuing.

19. The city will re-examine appropriate zoning for predominantly residential areas in nonresidential zones, primarily the office zones within the central part of the city.

Responsible Agencies: Community Development Department; Planning Commission; City Council

Objectives: Re-evaluation (report to council) completed by December 1986; action on plan amendments and rezoning which may be initiated by December 1987.

Funding: City General Fund.

Time Frame: 1986 - 1987.

#### Housing Production Costs

Most policies and programs will affect housing occupancy costs. The following specifically address costs of housing production.

20. The city will continue to review its enterprise activities (such as water and sewer service) and its fees for services to assure charges consistent with policy IV.A.

Responsible agencies: City Finance Department; Public Works Department, Community Development Department; City Council.

Funding: City general fund.

Time Frame: Continuing.

21. The city will continue to examine standards for private and public construction in order to eliminate unnecessary items and accept lower-cost materials and methods which meet performance standards.

Responsible agencies: Public Works Department; Community Development Department; City Council.

Funding: City general fund.

Time Frame: Continuing.

22. The city will prepare and consider an assessment of housing-cost impacts prior to adopting any new development-review procedure or development standard.

Responsible agencies: Community Development Department; Public Works Department; Fire Department; City Council.

Funding: City general fund.

Time Frame: 1985 and continuing.

#### Housing Opportunity and Landlord-Tenant Relations

23. The city will maintain and apply land-use regulations which allow a variety of housing and special living accommodations.

Responsible agencies: Community Development Department, Architectural Review Commission, Planning Commission, City Council.

Objectives: Continued production of a range of housing types.

Funding: City general fund.

Time frame: Continuing.

24. The city will continue to provide information on tenants rights and obligations and will help mediate disputes.

Responsible agencies: Human Relations Commission, with City Council support.

Objectives: Maintenance of services at 1984 levels.

Funding: City general fund and service fees.

25. The city will moderate mobile-home park rent increases.

Responsible agencies: Mobile-home rent review board, with City Council support.

Objective: Minimize rent increases resulting from park resales and immobile tenants.

Funding: City general fund.

Time frame: Continuing.

## Housing Demand Moderation

26. The city will advocate enrollment ceilings at Cal Poly State University and Cuesta College.

Responsible Agencies: City Council.

Objectives: Keep enrollments at or below 15,000 actual (14,200 full-time-equivalent) students at Cal Poly and 5,500 students at Cuesta College.

Funding: Not applicable.

Time frame: Continuing.

27. The city will require and consider an assessment of any proposal to designate additional land for commercial or industrial use, to identify impacts on housing demand, cost, and supply.

Responsible agencies: Planning Commission and City Council.

Objectives: Minimize expansion of housing demand caused by commercial and industrial development.

Funding: Not applicable.

Time frame: continuing.

28. If water and sewage capacity must be rationed to new development, residential projects will be given priority over nonresidential projects.

Responsible Agencies: City Council.

Objectives: Reservation of remaining capacity for residential use.

Funding: Not applicable.

Time frame: 1986 and continuing.

29. Developers of housing projects will be requested to promote their projects only within the housing market area (San Luis Obispo County).

Responsible agencies: City Community Development Department.

Objectives: Minimize nonresident influence on the housing market.

Funding: Not applicable.

Time frame: Continuing.



30. The city will discourage expansion of state institutions such as the Mens Colony.

Responsible agencies: City Council.

Objectives: Minimize expansion of housing demand caused by institutional growth.

Funding: Not applicable.

Time Frame: Continuing.

31. The city will discourage significant expansion of employment in the unincorporated airport area south of the city.

Responsible Agencies: City Council

Objectives: Minimize expansion of housing demand caused by industrial growth.

Funding: Not applicable.

Time Frame: Continuing.

## APPENDIX A

### VACANT RESIDENTIAL LAND

#### Explanation

A list of residentially zoned land which was vacant on January 1985 follows. The list includes a general description of the property location, the assessor's parcel number (APN) and:

The size of the parcel in acres. A "G" denotes gross acreage, which includes land that may be dedicated for streets or otherwise could not be counted toward development potential. An "N" denotes net area which would be available for development.

The number of dwellings which could be accommodated during the five-year planning period of the Housing Element. These parcels have access and utilities, or extension of access and utilities can be expected in the immediate future.

The number of dwellings which may be accommodated after the five-year planning period. These parcels do not have adequate access or utilities and they are not expected to be provided within the immediate future.

Reduction of density with increasing slope has been taken into account. Where a project or subdivision has been approved by the city, the estimate of dwellings has been taken from the approved project.

In zones other than R-1, the development estimates take into account the tendency of units in large projects to be mostly two-bedroom dwellings and units in small projects to be about equally divided among two-bedroom, one-bedroom, and studio dwellings. (City zoning allows about 1.5 times as many one-bedroom dwellings as two-bedroom dwellings and twice as many studios as two-bedroom dwellings on a given area in the R-2, R-3, and R-4 zones.)

Assessor's parcel numbers may change from year to year.

THE ESTIMATES OF DWELLING CAPACITY DO NOT INDICATE MINIMUM OR MAXIMUM DEVELOPMENT ENTITLEMENTS UNDER CITY REGULATIONS.

ZONES: R-1, R-1-S, R-1-PD, R-1-SP

Assessor's No.	Street Address	Area	(Ac)	Zone	Dwelling Capacity		Comments
					1985-90	1990+	
52-520/521	Ferrini Annexation	51.00	G		86		Tract 1182
	Foothill-LaMancha	20.00	G		47		Tract 1313
52-082-32	81 Hathway	0.35	N		1		
52-082-33	131 Hathway	0.35	N		1		
52-224-21	1695 McCollum	0.64	N		3		
52-125-07	2008 McCollum	0.18	N		1		
52-271-07(part)	End of Loomis	2.40	G			7	
52-135-20	173 Buena Vista	0.20	N		1		
52-135-17	43 Buena Vista	0.41	N		2		
52-134-35	Buena Vista at San Miguel	0.25	N		1		
52-134-12	339 Santa Maria	0.26	N		1		
52-134-40	2246 Santa Ynez	0.11	N		1		
52-136-01	Buena Vista at Santa Maria	0.17	N		1		
52-136-19	Santa Ynez	0.51	N		2		
52-136-20	56 Buena Vista	0.39	N		1		
52-136-28	Santa Ynez	0.29	N		1		
52-136-08	2318 Loomis	0.39	N			1	
52-136-23	48 Buena Vista	0.60	N			1	
52-136-18	2380 Loomis	0.14	N			1	
52-136-25	2372 Loomis	0.14	N			1	
52-136-24	2362 Loomis	0.07	N		0		
52-136-14	2354 Loomis	0.21	N			1	
52-136-27	2336 Loomis	0.42				1	
52-232-07	1836 Loomis	0.10			1		
52-271-02	20 Buena Vista	0.20	N		1		
52-271-08(part)	End of Buena Vista	1.00	N			2	
52-271-08(part)	Slack at Hays	1.00	N			3	
52-534-01	136 Tassajara	0.32	N		1		
52-341-04	End of South Tassajara	0.36	N		1		
52-163-06	617 Luneta	0.19	N		1		
52-163-07	633 Luneta	0.22	N		1		
52-163-08	87 Palomar	0.37	N		1		
52-163-21	Serrano	0.22	N		1		
52-163-25	541 Luneta	0.23	N		1		
52-163-05	603 Luneta	0.63	N		3		
52-163-09	84 Palomar	0.14	N		1		
52-591-04	98 Palomar	0.17	N		1		
52-174-35	814 Rougeot	1.20	N		8		
52-341-02	End of Luneta	3.00	G		4		
52-561-14	628 Oakridge	2.20	N		2		
52-465-09	276 Westmont	0.22	N		1		
52-421-17(part)	Westmont Gap	4.50	G		11		
52-163-04(part)	585 Luneta	0.46	N		2		
52-433-13(part)	140 Highland	0.34	N		1		
52-011-04(part)	160 Cerro Romauldo	0.38	N		2		
52-011-33(part)	End of Cerro Romauldo	1.70	G		6		
52-114-03(part)	285 Grand	0.38	N		2		
01-066-19	620 Park Street	0.39	N		2		
01-081-8,10	End of San Luis Drive	7.40	G		17		Tract 1259
01-251-24,25	2046 San Luis Drive	0.66	N		4		
01-132-03	1565 Phillips	0.17	N		1		
01-253-19	1947 Corralitos	0.13			1		
01-014-61,62,63	139 Chorro	0.56	N		3		
01-012-34(part)	161 Broad	7.00	G			10	
01-012-29	Serrano (South Side)	0.18	N		1		



Assessor's No.	Street Address	Area	(Ac)	Zone	Dwelling Capacity		Comments
					1985-90	1990+	
01-012-36		0.25	N		1		
01-012-26(part)		1.45	N		3		
01-015-17	Benton Way	0.14	N		1		
01-012-46	608 Mission	0.25	N		1		
01-091-37	203 Mission	0.26	N		1		
01-091-26	219 Mission	0.28	N		1		
01-091-05	235 Mission	0.38	N		1		
01-091-16(part)	North end of Hill Street	1.60	G			3	
01-021-12	878 Murray	0.14	N		1		
01-171-02,03	Hill Street (West)	2.00	G			3	
01-171-05		2.00	G			3	
01-181-32thru36	Hill at Lincoln	1.00	N		5		Tract 996
01-192-10	Lincoln	0.10	N		1		
01-081-14	Andrews Street	5.00	G		9		Tract 940
02-352-14	1550 Lizzie	1.30	G			4	
02-352-18	Wilding/Woodland	10.00	G			35	
02-272-10-23	Hill Street South	13.00	G		10		Tract 939
03-601-02(part)	General Hospital	4.00	G			8	
03-601-03(part)	2170 Johnson	4.50	G		20		
03-591-03(part)	1801 Woodland	2.30	G			8	
03-701-11,12,15	North of Viewmont	1.00	N			3	
03-781-03	1770 Viewmont	0.16	N		1		
03-702-71,72,73(part)	Johnson-Flora	2.00	G		11		Tract 1272
03-702-56(part)	1616 Sydney	0.76	N		3		
03-771-10(part)	2565 Flora	1.90	G		7		
03-771-10,14,15	Johnson-Flora	7.30	G		19		Tract 1304
03-771-07,11,12(parts)							
03-761-30(part)	End of Sydney	4.80	G			15	
03	Terrace Hill	40.00	G		76		Tracts 926,1034,1064
04-29-	Laguna Lakeshore	4.20	N		16		Tract 683
04-371-04		0.16	N		1		
04-371-17,19		0.28	N		2		
04-342-04		0.22	N		1		
04-342-07		0.20	N		1		
04-341-32		0.16	N		1		
04-972-56(part)	2907 Johnson	0.17	N		1		
04-972-57(part)	2915 Johnson	0.27	N		1		
04-972-28	3045 Johnson	0.27	N		1		
04-972-52	3001 Johnson	0.48	N		2		
04-971-44	La Cita Court	1.40	N		9		
04-971-46							
04-971-47							
04-971-48							
04-971-49							
04-971-50							
04-971-52							
04-971-53							
04-971-54							
04-971-11(part)	2976 Johnson	1.00	G		3		
04-523-17(part)	3100 Johnson	1.30	G		9		Tract 1310
04-521-21	1683 Knoll	0.25	N		1		
04-992-12	3230 Flora	0.36	N		2		
04-992-16	El Caserio	1.40	N		8		
04-992-19							
04-992-20							

Assessor's No.	Street Address	Area	(Ac)	Zone	Dwelling Capacity 1985-90	1990+	Comments
04-992-21							
04-992-24							
04-992-29							
04-992-35							
04-992-36							
04-993-01	Flora at Southwood	1.40	G			4	
04-993-02(part)							
04-993-21	3200 Block, Johnson	0.90	N			6	
04-993-22							
04-993-24							
04-993-25							
04-993-27							
04-993-28							
04-752-08	Colina Court	0.48	N			3	Tract 773
04-752-11							
04-752-12							
04-753-01	Barranca Court	1.80	N			11	Tract 772
04-753-02							
04-753-03							
04-753-05							
04-753-10							
04-753-11							
04-753-13							
04-753-14							
04-753-15							
04-753-18							
04-753-19							
04-753-21	Southwood and Sequoia	0.70	N			4	Tract 772
04-753-22							
04-753-23							
04-753-24							
04-751-10	Above Carla Court	5.00	G				2
04-302-03	1716 Southwood	0.29	N			1	
04-762-12	2359 Florence	0.28	N			1	
04-764-19	3250 Florence	0.21	N			1	
04-764-08	2362 Florence	0.14	N			1	
04-764-09	2384 Florence	0.14	N			1	
04-764-10	2390 Florence	0.14	N			1	
04-764-15	2355 Leona	0.14	N			1	
04-764-16	2355 Leona	0.14	N			1	
04-852-14	2435 Leona	0.17	N			1	
04-782-41	2695 Johnson	0.68	N			1	
04-782-62	2674 Augusta	0.17	N			1	
04-851-07	1011 San Carlos	0.15	N				1
04-851-08	1023 San Carlos	0.31	N				1
04-851-10	1035 San Carlos	0.17	N			1	
04-851-11	1045 San Carlos	0.16	N			1	
04-302-01	3380 Sequoia	0.29	N			1	
04-392-13	1672 El Cerrito	0.25	N			1	
04-392-24	2744 El Cerrito	0.27	N			1	
04-392-25	1636 Encino	0.27	N			1	
04-832-03(part)	Meadow at Funston	0.80	N			5	
04-833-02	Meadow - Funston	0.96	N			5	
04-833-03							
04-833-04							

Assessor's No.	Street Address	Area	(Ac)	Zone	Dwelling Capacity		Comments
					1985-90	1990+	
04-931-04	Meadow - Mitchell	0.46			2		
04-931-35(part)							
04-931-36	End of Lawrence	3.00	G		3		
04-942-31	South of Lawrence	7.44	G		40		Tract 1150, PD 1126
04-822,823,25	South Street Specific Plan	9.00	N		60		
04-911-04(part)	647 Woodbridge	0.34	G		1		
04-911-03(part)	637 Woodbridge	0.34	G		1		
53-241-	Prefumo Canyon	16.00	N		69		Tract 858
53-245-	Los Osos Valley Road West	2.30	N		13		Tract 444
53-246-		6.40	N		41		Tract 603
53-246-39		2.20	N		14		Tract 1232
53-246-40		1.90	N		12		Tract 603
53-281-31		3.90	G		20		Tract 608
53-281-02		7.60	N		39		Tract 608
53-281-03							
53-113-01	1667 Quail	0.19	N		1		
53-113-05	1721 Quail	0.15	N		1		
53-113-08	1781 Quail	0.15	N		1		
53-113-10	1823 Quail	0.15	N		1		
53-112-23(part)	West of Royal Way	8.00	G		10		
53-27-	Los Verdes Estates	5.00	N		36		Tract 592
52-08-	Edna-Islay Phases 1-4	30.00	N		213		
52-09-	Edna-Islay Phases 5-9	64.00	N			327	

ZONES: R-2, R-2-S, R-2-PD, R-2-SP

52-203-12	1223 Stafford	0.10	N	R-2	1		
52-212-07	1365 Taft	0.26	N		4		
52-033-47	573 Highland	0.39	N		7		ARC 84-69
52-033-51	579 Highland	0.39	N		6		Tract 1194
52-033-49	585 Highland	0.39	N		8		ARC 83-11
52-033-36	591 Highland	0.28	N		5		
01-133-14	Phillips at California	0.34	N		6		
02-343-21	1314 Pismo	0.27	N		2		
03-565-02	Johnson at San Luis Drive	0.72	N		1		School District
03-566-23	Johnson at Lizzie	0.52	N		6		
03-566-24							
03-566-25							
03-566-26							
03-568-01(part)	Breck and Fairview	5.00	G				50
03-571-13	Ruth and Iris	0.41	N		6		
03-571-14(part)		0.60	N		10		
03-578-26	1250 Iris	0.90	N		12		
03-584-28	2030 Johnson	0.16	N		1		
03-756-01	2125 Rachel	0.25	N				2
03-757-02	Rachel at Haskin	2.00	G				22
03-652-10	2047 Swazey	0.14	N		2		
03-664-22	1101 Ella	0.37	N		5		
03-664-223	1111 Ella	0.23	N		2		
03-664-21	1131 Ella	0.23	N		2		
03-664-17	1141 Ella	0.23	N		2		
03-661-14	Rachel	0.23	N		2		
03-661-19	Rachel	0.23	N		2		
03-758-01	Fletcher and Bushnell	1.90	G				22
03-721-19	Beebe by South	0.43	N		6		
03-724-13	South by Beebe	0.10	N		1		
03-739-27	322 South	0.10	N		1		



Assessor's No.	Street Address	Area	(Ac)	Zone	Dwelling Capacity		Comments
					1985-90	1990+	
03-737-14	494 Sandercock	0.16	N		2		
03-749-30	524 South	0.10	N		1		
04-601-18	3361 Broad	0.37	N		6		
04-601-24	3379 Broad	0.25	N		3		
04-601-17	3279 Broad	0.31	N		4		
04-583-29	3066 Rockview	0.69	N		8		
04-581-15	Rockview - Perkins	1.35	N		16		
04-581-17							
04-581-18(part)	Rockview at Sweeney	0.56	G		6		
04-582-01	598 Perkins	0.15	G		2		
04-591-09	3261 Rockview	0.79	N		9		
53-181-32	251 Margarita	9.70	N		100		TR 1210; ARC 84-29
53-071-13(part)	3450 Bullock	1.00	N		12		
	Edna-Islay						
	Phases 1-4	25.40	G		236		
	Phases 5-9	18.10	G			185	

ZONES: R-3, R-3-S, R-3-PD

04-962-20	1045 Southwood	7.67	N	R-3	168		PD 1168
04-961-30	1250 Orcutt	8.09	N		100		PD 1184

ZONES: R-4, R-4-S, R-4-SP

52-072-25	Foothill at Carpenter	0.92	N	R-4	22		ARC 85-70
52-162-02	651 Foothill	5.72	N		136		ARC 85-127
52-252-26	1050 Foothill	1.10	N		27		
03-537-24	Pismo at Chorro	0.38	N		9		
03-537-25							
03-513-19	Pacific at Carmel	0.48	N		11		
04-820-57	South Street at King	3.00	N		40		Tract 1181
04-820-58							

## APPENDIX B

### REDEVELOPMENT AND INTENSIFICATION ESTIMATES

#### Explanation

The following is a list of areas where new housing may be developed by adding dwellings to developed sites or by replacing dwellings or commercial buildings with additional dwellings. While planning staff compared individual parcels with approved projects to develop assumptions about likely development potential, the estimates are grouped by assessor's blocks. These correspond with city blocks throughout much of the central area. The estimates do not indicate the minimum or maximum development which could be pursued under zoning regulations for any individual parcel.

Assessor's block numbering may change from year to year.

Assessor's No.	Street Address	Zone	Potential Dwellings
52-155	Foothill at Tassajara	R-2	7
52-032	Foothill: Cuesta to Ferrini	R-4	19
52-331	Chorro at Santa Rosa	R-4	8
52-182	Foothill at Railroad	R-4	33
52-071	Foothill near Crandall	R-3	10
52-081	Foothill near Crandall	R-3	7
52-072	Hathway near Bond	R-2	5
52-192	Murray and Stenner	R-3	6
01-033	Murray and Stenner	R-3	2
01-041	Murray and Stenner	R-3	8
01-043	Hathway: 101 to Railroad	R-2	2
52-201	Stafford - Kentucky Area	R-2	3
52-202	Stafford - Kentucky Area	R-2	6
52-203	Stafford - Kentucky Area	R-2	3
52-211	Stafford - Kentucky Area	R-2	4
52-212	Stafford - Kentucky Area	R-2	2
01-073	Garfield - Graves	R-4	6
01-123	Johnson-Phillips-Peach Area	R-3	3
01-121	Johnson-Phillips-Peach Area	R-4	2
01-207	Johnson-Phillips-Peach Area	R-4	5
01-212	Johnson-Phillips-Peach Area	R-2	4
01-315	Johnson-Phillips-Peach Area	R-2	5
01-221	Johnson-Phillips-Peach Area	R-2,R-3	5
02-392	Brizzolara	R-1-S,R-3 S	6
02-401,402	Dana	R-3	32
02-291	Broad and Chorro near 101	R-3	12
02-292	Broad and Chorro near 101	R-4	13
02-294	Broad and Chorro near 101	R-4	8
02-413	Palm and Chorro Area	R-4	4
02-415	Palm and Chorro Area	R-4	7
02-333	Higuera at Johnson	R-3	2
02-034	Higuera at Johnson	R-2	2
02-342,343	Pacific at Johnson	R-2	3
02-444	Old Town	R-2	2
02-446	Old Town	R-2	3
02-451	Old Town	R-2	3
02-454	Old Town	R-2	7
02-507	Old Town	R-3	4
03-513	Old Town	R-3,R-4	4
03-613	Old Town	R-2,R-3	5
03-611	Old Town	R-2,R-3	3
03-614	Old Town	R-2	6
03-612	Old Town	R-2	4
03-514	Old Town	R-4	7
03-528	Old Town	R-2	2
03-531	Old Town	R-2,R-3	5
03-536	Old Town	R-2	1
03-537	Old Town	R-2	3
03-538	Old Town	R-2	1
03-544	Old Town	R-2,R-3	2
03-546	Old Town	R-2,R-3	3
03-551	Old Town	R-3	10
03-553	Old Town	R-3	3
03-554	Old Town	R-3	6
03-555	Old Town	R-3	3



Assessor's No.	Street Address	Zone	Potential Dwellings
03-615	Old Town	R-2,R-3	8
03-616	Old Town	R-2	4
03-624	Old Town	R-2	5
03-625	Old Town	R-2	4
03-631	Old Town	R-2	1
03-632	Old Town	R-2	2
03-633	Old Town	R-2	2
03-638	Old Town	R-2	2
03-643	Old Town	R-2	2
03-644	Old Town	R-2,C-N	5
03-646	Old Town	R-2,R-3	2
03-642	Old Town	R-2	2
03-721	Old Town	R-2	7
03-722	Old Town	R-2	7
03-723	Old Town	R-2	4
03-724	Old Town	R-2	2
03-731	Old Town	R-2	3
03-732	Old Town	R-2	8
03-733	Old Town	R-2	2
03-734	Old Town	R-2	8
03-735	Old Town	R-2	7
03-736	Old Town	R-2	3
03-737	Old Town	R-2	2
03-738	Old Town	R-2	4
03-739	Old Town	R-2	12
03-741	Old Town	R-2	3
03-743	Old Town	R-2	2
03-746	Old Town	R-2	1
03-748	Old Town	R-2	2
03-749	Old Town	R-2	6
04-581	Rockview Area	R-2-S	5
04-582	Rockview Area	R-2-S	15
04-583	Rockview Area	R-2-S	7
04-591	Rockview Area	R-2-S	3
04-601	Rockview Area	R-2-S	4
03-563	Fairview-Breck-Johnson	R-3	2
03-564	Fairview-Breck-Johnson	R-3	3
03-566	Fairview-Breck-Johnson	R-2	2
03-652	Terrace Hill Area	R-2-S	4
03-653	Terrace Hill Area	R-2	4
03-654	Terrace Hill Area	R-2	2
03-656	Terrace Hill Area	R-2-S	2
03-571	Terrace Hill Area	R-2-S	2
03-572	Terrace Hill Area	R-2	3
03-573	Terrace Hill Area	R-2	5
03-574	Terrace Hill Area	R-2	2
03-578	Terrace Hill Area	R-2	2
03-663	Terrace Hill Area	R-2	3
03-664	Terrace Hill Area	R-2	2
03-683	Terrace Hill Area	R-2	2
03-681	Terrace Hill Area	R-2	13
04-842	Broad Street - West Side	R-2	2
04-911	Broad Street - West Side	R-2	1
04-912	Broad Street - West Side	R-2	5
53-071	Bullock Lane	R-3-S	7



## APPENDIX C

### HOUSING NEEDS PLAN

#### Explanation

The State of California Department of Housing and Community Development has prepared the following "housing needs plan" for San Luis Obispo County and the cities within the county. It was sent to the city in August 1984. The table below is an excerpt from a letter from the Department of Housing and Community Development to the city in November 1985. It is the state staff interpretation of how the housing needs plan is to be translated into new construction requirements. The city's differing interpretation is contained in the text of this element.

#### Housing Needs, 1984

<u>Income group</u>	<u>Housing Units</u>
Very Low	488
Other Lower	245
Moderate	326
Above Moderate	<u>571</u>
TOTAL	1,630



SAN LUIS OBISPO COUNTY HOUSING NEEDS PLAN

THE PLAN

This housing needs plan for San Luis Obispo County has been prepared by the State Department of Housing and Community Development (HCD) in order to assist San Luis Obispo County and the six cities in the County in meeting the requirements of AB 2853 of 1980. The Department prepared this plan at the request of the San Luis Obispo County and Cities Area Planning and Coordinating Council.

The purpose of a regional housing needs plan is to examine housing needs in a geographical area and to allocate a share of the projected regional need to each local government. Those jurisdictions then have the responsibility for planning, in their housing elements, to meet those needs.

For the purpose of this plan, San Luis Obispo County has been treated as a single housing market area, except that the city of El Paso de Robles has been considered to be primarily an independent market area.

The levels of household growth and construction need contained in this plan may be considered as minimum growth needs. Nothing in this plan should be taken to mean that a local government may not plan for more households than shown.

## METHODOLOGY

This plan is for the period January 1, 1984 to July 1, 1992. For jurisdictions which prefer to prepare housing element updates to other dates, figures have also been included for July 1 of 1989, 1990, and 1991. The plan includes estimated and projected households, by income group, for those dates. The January 1, 1984 household estimates were prepared by HCD based on State Department of Finance (DOF) estimates. The household projections for 1989 through 1992 are based on county household projections for 1985, 1990, and 1995 which were released by DOF in August 1984. Each area's share of the countywide growth is based on the assumption that there will be a continuation of the household growth patterns that occurred between 1980 and 1983. Annexations of inhabited areas were taken into account in establishing growth rates during that period.

The following four income groups are used in this plan: Very Low, Other Lower, Moderate, and Above Moderate. Definitions for these terms are given in Attachment 1.

HCD used U.S. Census data to estimate the number of households in each income group in 1984. The estimates are based on the assumption that the income distributions in the 1980 Census remain applicable in 1984.

The 1989 through 1992 income group allocations are based on a "modified same share plan". In a "same share plan" (unmodified), each local government in the market area is assigned planning responsibility for the same percentages of households in each income group at the end of the plan. This allocation policy

is based on: (1) the existence of equal access to employment opportunities throughout the market area; and, (2) the assumption that all of the local governments are in other respects equally suitable locations for households at all income levels. These conditions do not apply to all parts of the County, principally because some areas are particularly attractive to the elderly and because of a large college student population. Both of these groups are predominantly low income.

The Morro Bay and Pismo Beach allocations for 1989 through 1992 were adjusted because of the high attractiveness of those cities to the elderly and especially lower income elderly. The Morro Bay and Pismo Beach allocations for very low income were adjusted upward from the County average by 4% and 3% respectively. A similar 3% adjustment was made in the City of San Luis Obispo 1989 through 1992 allocations to reflect the college student population.

The other 1989 through 1992 income group allocations were made as follows. The El Paso de Robles figures are unchanged from 1984. The Grover City figures are the same as the countywide figures. The remaining three jurisdictions were allocated the same percentage shares of the remaining households.

The effect of the allocations is to broaden opportunities for all income groups throughout the County.

Basic housing construction needs for the planning period have been calculated by HCD for each area of the county using the methodology contained in Attachment 2. Allowances for vacancies and normal market removals (torn down, destroyed by fire, etc.) are included. The ownership and renter factors used



in the calculations were taken from the 1980 U.S. Census. The "other vacant" factors were based on 1980 Census data with adjustments for declines in vacancy rates since the Census. The annual removal allowance of, generally, .002 is an HCD estimate.

#### HOW TO USE THE PLAN IN PREPARING LOCAL HOUSING ELEMENTS

Legislation enacted in 1984 changed the time requirements for updating housing elements. In San Luis Obispo County, local governments are required to update their housing elements by July 1, 1986 (rather than July 1, 1984). The next subsequent update is required by July 1, 1992. Local governments in the county may update their housing elements at any time prior to July 1, 1986. The planning period for the housing element update may be any five year or longer period through a date no later than July 1, 1992. If the time frame for the housing element is through July 1, 1992, the housing element will not need to be updated prior to that date. If the time frame is shorter, however, the element will need to be updated sooner--at the end of the time period covered by the element.

The principal uses of the plan are: (1) in planning to accommodate the projected growth of the area; and, (2) in planning to provide opportunities for all income groups to have access to housing throughout the county.

In addition to the income group estimates and allocations contained in the plan, the local housing element is to contain estimated affordability needs. This involves making estimates of the current number of lower income households which pay more than 25% of their income for housing. "Lower income" means the combined total of the "very low" and "other lower" income categories.

Other existing housing needs which are to be included in the local housing element, but which are not included in this plan include: estimates of overcrowding, estimates of the needs of special groups (such as the elderly and the handicapped), and estimates of units which are in substandard physical condition. The estimates of substandard units should include figures for both the units which need rehabilitation and those which are so substandard that they need to be removed.

The "basic construction needs" stated in the plan do not include allowances for construction needed to replace units which are beyond repair and/or are not economically feasible to repair. Units which are removed from the housing stock in the normal course of housing market activity (changes to commercial use, etc.) are not necessarily beyond repair. Consequently, the basic construction needs are to be supplemented by estimates of construction needed to replace housing units which are not suitable for rehabilitation.

# SAN LUIS OBISPO COUNTY

## Estimated Households on January 1, 1984 by Income Group and

Projected Households on July 1, 1989 through July 1, 1992 with Income Group Allocations

Area	Income Group	Households					Percentages	
		1984	1989	1990	1991	1992	1984	1989-1992
Arroyo Grande	Very Low	1,156	1,332	1,358	1,384	1,411	24	25
	Other Lower	578	799	815	831	846	12	15
	Moderate	1,060	1,066	1,086	1,108	1,129	22	20
	Above Moderate	2,023	2,132	2,173	2,215	2,257	42	40
	Total	4,817	5,329	5,432	5,538	5,643	100	100
Atascadero	Very Low	1,356	1,859	1,909	1,959	2,010	21	25
	Other Lower	646	1,116	1,145	1,175	1,206	10	15
	Moderate	1,421	1,487	1,527	1,567	1,607	22	20
	Above Moderate	3,035	2,975	3,054	3,135	3,215	47	40
	Total	6,458	7,437	7,635	7,836	8,038	100	100
El Paso de Robles	Very Low	1,285	1,666	1,743	1,822	1,900	28	28
	Other Lower	596	774	810	846	883	13	13
	Moderate	1,055	1,368	1,432	1,496	1,561	23	23
	Above Moderate	1,652	2,142	2,241	2,342	2,443	36	36
	Total	4,588	5,950	6,226	6,506	6,787	100	100
Grover City	Very Low	1,319	1,104	1,122	1,139	1,157	35	27
	Other Lower	565	613	623	633	643	15	15
	Moderate	904	818	831	844	857	24	20
	Above Moderate	980	1,554	1,578	1,604	1,629	26	38
	Total	3,768	4,089	4,154	4,220	4,286	100	100
Morro Bay	Very Low	1,556	1,409	1,423	1,438	1,452	36	31
	Other Lower	562	682	689	696	703	13	15
	Moderate	951	909	918	927	937	22	20
	Above Moderate	1,253	1,546	1,561	1,577	1,592	29	34
	Total	4,322	4,546	4,591	4,638	4,684	100	100
Pismo Beach	Very Low	947	946	964	981	999	33	30
	Other Lower	402	473	482	491	500	14	15
	Moderate	717	631	642	654	666	25	20
	Above Moderate	803	1,104	1,124	1,145	1,165	28	35
	Total	2,869	3,154	3,212	3,271	3,330	100	100



SAN LUIS OBISPO COUNTY

Estimated Households on January 1, 1984 by Income Group

and

Projected Households on July 1, 1989 through July 1, 1992 with Income Group Allocations

Area	Income Group	Households					Percentages	
		1984	1989	1990	1991	1992	1984	1989-1992
San Luis Obispo City	Very Low	4,912	4,580	4,750	4,821	4,893	34	30
	Other Lower	2,023	2,340	2,375	2,411	2,446	14	15
	Moderate	2,600	3,120	3,167	3,214	3,262	18	20
	Above Moderate	4,912	5,460	5,541	5,625	5,708	34	35
	Total	14,447	15,600	15,833	16,071	16,309	100	100
San Luis Obispo Unincorporated	Very Low	4,956	7,214	7,479	7,750	8,021	21	25
	Other Lower	4,484	4,328	4,488	4,650	4,812	19	15
	Moderate	4,012	5,771	5,983	6,200	6,417	17	20
	Above Moderate	10,149	11,542	11,967	12,400	12,833	43	40
	Total	23,601	28,855	29,917	31,000	32,083	100	100
COUNTY TOTAL	Very Low	17,487	20,210	20,748	21,294	21,843	27	27
	Other Lower	9,856	11,125	11,427	11,733	12,039	15	15
	Moderate	12,720	15,170	15,586	16,010	16,436	20	20
	Above Moderate	24,807	28,455	29,239	30,043	30,842	38	38
	Total	64,870	74,960	77,000	79,080	81,160	100	100

SAN LUIS OBISPO COUNTY

BASIC CONSTRUCTION NEEDS

<u>Area</u>	Construction Needs			
	<u>1984- 1989</u>	<u>1984- 1990</u>	<u>1984- 1991</u>	<u>1984- 1992</u>
Arroyo Grande	466	586	709	831
Atascadero	1,086	1,311	1,539	1,769
El Paso de Robles	1,552	1,858	2,169	2,481
Grover City	385	466	549	631
Morro Bay	258	324	393	461
Pismo Beach	329	406	484	563
San Luis Obispo	1,368	1,630	1,898	2,166
Unincorporated	6,372	7,690	9,035	10,382
COUNTY TOTAL	11,816	14,271	16,776	19,284

## ATTACHMENT 1

### DEFINITIONS OF INCOME GROUPS

The definitions given below are based on definitions contained in state law.\* The statutory definitions provide that each household size has its own income ranges.

The income ranges for a four person household are the following:

Very Low Income	Income not exceeding 50% of the median family income of the county.
Other Lower Income	Income between 50% and 80% of the median family income of the county.
Moderate Income	Income between 80% and 120% of the median family income of the county.
Above Moderate Income	Income above 120% of the median family income of the county.

The income ranges for other household sizes are calculated using household size adjustment factors. For example, the income ranges for a one person household are .7 times the income ranges for the four person household for that income level.

\*Health and Safety Code Sections 50079.5, 50093, and 50105.



ATTACHMENT 2

METHODOLOGY FOR ESTIMATING BASIC CONSTRUCTION NEEDS

1. Determine housing units needed on January 1, 1989, with allowance for vacant units

$$\begin{aligned} & 1989 \text{ Households} \times \text{Estimated Homeownership Rate} \div .98 \text{ /allowance for vacant-for-sale/} \\ & + 1989 \text{ Households} \times \text{Estimated Renter Rate} \div .94 \text{ /allowance for vacant-for-rent/} \end{aligned}$$

= 1989 Households plus vacant-for-sale or rent

$$\begin{aligned} & \text{Number on last line} \div (1 - \text{estimated "other vacant" fraction}) \text{ /allowance for second homes} \\ & \text{and other vacant units} \\ & = \text{Housing Units Needed in 1989} \text{ which are not for sale or rent/} \end{aligned}$$

2. Determine housing units needed to accommodate growth needs from 1983 to 1989

Housing Units Needed in 1989 (determined in Step 1)

- Housing Units on January 1, 1983

= Housing Units Needed to Accommodate Growth

3. Determine expected normal housing market removals (units to be torn down, boarded up, destroyed by fire, changed to commercial use, etc.)

$$\begin{aligned} & \text{Average Number of Housing Units in Existence between 1983 and 1989} = \\ & (\text{Housing Units Needed in 1989} + \text{Housing Units on 1/1/1983}) \div 2 \end{aligned}$$

Estimated Number of Units to be Removed in 6 Years =

Average Number of Units (see above) X Annual Removal Rate X 6

4. Determine Total Basic Construction Needs 1983 to 1989

Housing Units Needed to Accommodate Growth (determined in Step 2)

+ Housing Units Expected to be Removed 1983-1989 (determined in Step 3)

= Total Basic Construction Needs 1983 to 1989



APPENDIX D

STATE HOUSING ELEMENT LAW

Explanation

Following is a text of the Government Code sections concerning local housing elements. This law was in effect December 1985. It may be amended from time to time by the state legislature.



## Article 10.6

### HOUSING ELEMENTS

- Sec.
- 65580. Legislative finding and declaration.
  - 65581. Intent of legislature.
  - 65582. Definitions.
  - 65583. Contents of housing element.
  - 65584. Locality's share of regional housing needs; determination and distribution; revision.
  - 65585. Guidelines in preparation and amendment of housing element; submission and review; advisory findings; final adoption.
  - 65586. Time within which housing elements must conform to guidelines and this article.
  - 65587. Conformity; extension of time; actions to review conformity; time for compliance with finding of court; additional time.
  - 65587.1. Revenue bond programs; local approval of housing related projects; compliance with relevant laws.
  - 65588. Review and revision.
  - 65589. Construction of article.
  - 65589.5. Proposal of local agency to disapprove project or approve project on condition of lower density; written findings; existence of conditions.

*Article 10.6 was added by Stats.1980, c. 1143, p. 3697, § 3.*

#### § 65580. Legislative finding and declaration

The Legislature finds and declares as follows:

(a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.

(b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.

(c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.

(d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.

(e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.

(Added by Stats.1980, c. 1143, p. 3697, § 3.)

## § 65581. Intent of legislature

It is the intent of the Legislature in enacting this article:

(a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.

(b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.

(c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.

(d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

(Added by Stats.1980, c. 1143, p. 3697, § 3.)

## § 65582. Definitions

As used in this article:

(a) "Community," "locality," "local government," or "jurisdiction", means a city, city and county, or county.

(b) "Department" means the Department of Housing and Community Development.

(c) "Housing element" or "element" means the housing element of the community's general plan, as required pursuant to this article and subdivision (c) of Section 65302.

(Added by Stats.1980, c. 1143, p. 3697, § 3.)

## § 65583. Contents of housing element

The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include the following:

(1) Analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584.

(2) Analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

(3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

(4) Analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures.

(5) Analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

(6) Analysis of any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, \* \* \* families with female heads of households, and families and persons in need of emergency shelter.

(7) Analysis of opportunities for energy conservation with respect to residential development.



(b) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, improvement, and development of housing.

It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified objectives need not be identical to the identified existing housing needs, but should establish the maximum number of housing units that can be constructed, rehabilitated, and conserved over a five-year time frame.

(c) A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

(1) Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, and mobilehomes, in order to meet the community's housing goals as identified in subdivision (b). The program may include an identification of adequate sites for emergency housing.

(2) Assist in the development of adequate housing to meet the needs of low- and moderate-income households.

(3) Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.

(4) Conserve and improve the condition of the existing affordable housing stock.

(5) Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.

The program shall include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals. The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.

(Amended by Stats.1984, c. 1691, p. —, § 3, urgency, eff. Sept. 30, 1984.)

**§ 65584. Locality's share of regional housing needs; determination and distribution; revision**

(a) For purposes of subdivision (a) of Section 65583, a locality's share of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a jurisdiction's general plan. The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, and the housing needs of farmworkers. The distribution shall seek to avoid further impaction of localities with relatively high proportions of lower income households. Based upon data provided by the Department of Finance, in consultation with each council of government, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to the second revision, and all subsequent revisions as required pursuant to Section 65588. Based upon data provided by the Department of Housing and Community Development relative to the statewide need for housing, each council of governments shall determine the existing and projected housing need for its region. Within 30 days following notification of this determination, the Department of Housing and Community Development shall ensure that this determination is consistent with the statewide housing need and may revise the determination of the council of governments if necessary to obtain this consistency. Each locality's share shall be determined by the appropriate council of governments consistent with the criteria above with the advice of the department subject to the procedure established pursuant to subdivision (c) at least one year prior to the second revision, and at five-year intervals following the second revision pursuant to Section 65588.

(b) For areas with no council of governments, the Department of Housing and Community Development shall determine housing market areas and define the regional housing need for localities within these areas. Where the department determines that a local government possesses the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the identification and determination of housing market areas and regional housing needs, the department shall delegate this responsibility to the local governments within these areas.

(c) Within 90 days following a determination of a council of governments pursuant to subdivision (a), or the department's determination pursuant to subdivision (b), a local government may revise the determination of its share of the regional housing need in accordance with the considerations set forth in subdivision (a). The revised share shall be based upon available data and accepted planning methodology, and supported by adequate documentation. Within 60 days after the time period for the local government's revision, the council of governments or the department, as the case may be, shall accept the revision or shall indicate, based upon available data and accepted planning methodology, why the revision is inconsistent with the regional housing need. The housing element shall contain an analysis of the factors and circumstances, with all supporting data, justifying the revision. All materials and data used to justify any revision shall be made available upon request by any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship.



(d)(1) Except as provided in paragraph (2), any ordinance, policy, or standard of a city, county, or city and county which directly limits, by number, the building permits which may be issued for residential construction, or which limits for a set period of time the number of buildable lots which may be developed for residential purposes, shall not be a justification for a determination or a reduction in a local government's share of the regional housing need.

(2) Paragraph (1) does not apply to any city, county, or city and county which imposes a moratorium on residential construction for a set period of time in order to preserve and protect the public health and safety. If a moratorium is in effect, the city, county, or city and county shall, prior to a revision pursuant to subdivision (c), adopt findings which specifically describe the impacted public facilities and the reasons why construction of the number of units specified as its share of the regional housing need would prevent the mitigation of that impact.

(e) Any authority to review and revise a local government's share of the regional housing need granted under this section shall not constitute authority to revise, approve, or disapprove the manner in which the local government's share of the regional housing need is implemented through its housing program.

(f) A fee may be charged interested parties for any additional costs caused by the amendments to subdivision (c) at the 1983-84 Regular Session of the Legislature reducing from 45 to seven days the time within which materials and data shall be made available to interested parties.

(g) Determinations made by the department, a council of governments, or a local government pursuant to this section are exempt from the provisions of the California Environmental Quality Act, which is provided for in Division 13 (commencing with Section 21000) of the Public Resources Code.  
(Amended by Stats.1984, c. 1684, p. —, § 1.)

**§ 65585. Guidelines in preparation and amendment of housing element; submission and review; advisory findings; final adoption**

(a) Each local government shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code in the preparation and amendment of its housing element pursuant to this article. Those guidelines shall be advisory to each local government in order to assist it in the preparation of its housing element.

(b) At least 90 days prior to adoption of the housing element \* \* \*, or at least 45 days prior to the adoption of an amendment to this element, the planning agency of a local government shall submit a draft of the element or amendment to the department. The department shall review drafts submitted to it and report its findings to the planning agency within 90 days of receipt of the draft in the case of adoption of the housing element pursuant to this article, or within 45 days of receipt of the draft in the case of an amendment. The legislative body shall consider the department's findings prior to final adoption of the housing element or amendment unless the department's findings are not available within the above prescribed time limits. If the department's findings are not available within those prescribed time limits, the legislative body may take the department's findings into consideration at the time it considers future amendments to the housing element.

(c) Each local government shall provide the department with a copy of its adopted housing element or amendments. The department may review adopted housing elements or amendments and report its findings.

(d) Except as provided in Section 65586, any and all findings made by the department pursuant to subdivisions (b) and (c) shall be advisory to the local government.

(Amended by Stats. 1983, c. 1250, p. —, § 2, urgency, eff. Sept. 30, 1983, operative Jan. 1, 1984; Stats.1984, c. 1009, p. —, § 20.5.)

**§ 65586. Time within which housing elements must conform to guidelines and this article**

Local governments shall conform their housing elements to the provisions of this article on or before October 1, 1981. Jurisdictions with housing elements adopted before October 1, 1981, in conformity with the housing element guidelines adopted by the Department of Housing and Community Development on December 7, 1977, and located in Subchapter 3 (commencing with Section 6300) of Chapter 6 of Part 1 of Title 25 of the California Administrative Code,<sup>1</sup> shall be deemed in compliance with this article as of its effective date. A locality with a housing element found to be adequate by the department before October 1, 1981, shall be deemed in conformity with these guidelines.

(Added by Stats.1980, c. 1143, p. 3697, § 3.)

<sup>1</sup> Repealed 1982.

**§ 65587. Housing element deadline; extensions; actions for review of conformity; time for compliance**

(a) Each city, county, or city and county shall bring its housing element, as required by subdivision (c) of Section 65302, into conformity with the requirements of this article on or before October 1, 1981. No extension of time for such purpose may be granted pursuant to Section 65361, notwithstanding its provisions to the contrary.

(b) Any action brought by any interested party to review the conformity with the provisions of this article of any housing element or portion thereof or revision thereto shall be brought pursuant to Section 1085 of the Code of Civil Procedure; the court's review of compliance with the provisions of this article shall extend to whether the housing element or portion thereof or revision thereto substantially complies with the requirements of this article.

(c) If a court finds that an action of a city, county, or city and county, which is required to be consistent with its general plan, does not comply with its housing element, the city, county, or city and county shall bring its action into compliance within 60 days. However, the court shall retain jurisdiction throughout the period for compliance to enforce its decision. Upon the court's determination that the 60-day period for compliance would place an undue hardship on the city, county, or city and county, the court may extend the time period for compliance by an additional 60 days. (Amended by Stats.1984, c. 1009, p. —, § 21.)

**§ 65587.1. Revenue bond programs; local approval of housing related projects; compliance with relevant laws**

(a) The Legislature finds and declares that local policies and programs which increase housing opportunities through a tax-exempt revenue bond program or through a requirement that the approval of a housing related project be tied to the provision of assistance for housing are consistent with the intent of this article. The Legislature further finds and declares that actions which have the effect of impeding or halting such policies and programs or the direct production of housing run contrary to the goals of increased housing opportunities and balanced commercial and residential development embodied in this article.

(b) Notwithstanding any other provision of law, neither a mortgage revenue bond program subject to subdivision (b) of Section 52053.5 of the Health and Safety Code nor a local approval, made prior to May 1, 1983, of a housing related project shall be invalidated due to the failure or alleged failure of a city and county to comply with this article, subdivision (c) of Section 65302 of the Government Code, or any regulations or guidelines adopted pursuant thereto, or any other provision of law requiring or claimed to require consistency with the housing element of a local general plan. For purposes of this section, a "housing related project" means (a) a residential project or (b) a nonresidential project, the local approval of which was conditioned upon the nonresidential developer (1) developing or rehabilitating or causing to be developed or rehabilitated housing units, or (2) providing funds for the development or rehabilitation of housing units, or (3) investing in a mortgage revenue bond program subject to subdivision (b) of Section 52053.5 of the Health and Safety Code, under a formula or guidelines adopted by the planning commission or local governing body of the city and county. For purposes of this section, "housing related project" shall not include a project, the construction or development of which requires either the demolition or conversion of low- or moderate-rental residential units and the local approval of which does not provide for the replacement of such units and for the maintenance in such units of rents affordable to low- and moderate-income persons for a period of not less than 20 years.



**§ 65588. Review and revision**

(a) Each local government shall review its housing element as frequently as appropriate to evaluate all of the following:

(1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.

(2) The effectiveness of the housing element in attainment of the community's housing goals and objectives.

(3) The progress of the city, county, or city and county in implementation of the housing element.

(b) The housing element shall be revised as appropriate, but not less than every five years, to reflect the results of this periodic review \* \* \*.

In order to facilitate effective review by the department of housing elements, local governments following shall prepare and adopt the first two revisions of their housing elements no later than the dates specified in the following schedule, notwithstanding the date of adoption of the housing elements in existence on the effective date of the act which amended this section during the 1983-84 session of the Legislature.

(1) Local governments within the regional jurisdiction of the Southern California Association of Governments: July 1, 1984, for the first revision and July 1, 1989, for the second revision.

(2) Local governments within the regional jurisdiction of the Association of Bay Area Governments: January 1, 1985, for the first revision, and July 1, 1990, for the second revision.

(3) Local governments within the regional jurisdiction of the San Diego Association of Governments, the Council of Fresno County Governments, the Kern County Council of Governments, the Sacramento Council of Governments, and the Association of Monterey Bay Area Governments: July 1, 1985, for the first revision, and July 1, 1991, for the second revision.

(4) All other local governments: January 1, 1986, for the first revision, and July 1, 1992, for the second revision.

(5) Subsequent revisions shall be completed not less often than at five-year intervals following the second revision.

(c) The review and revision of housing elements required by this section shall take into account any low- or moderate-income housing which has been provided or required pursuant to Section 65590.

(d) The review pursuant to subdivision (c) shall include, but need not be limited to, the following:

(1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.

(2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone pursuant to Section 65590.

(3) The number of existing residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been authorized to be demolished or converted since January 1, 1982, in the coastal zone.

(4) The number of residential dwelling units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been required for replacement or authorized to be converted or demolished as identified in paragraph (3). The location of the replacement units, either onsite, elsewhere within the locality's jurisdiction within the coastal zone, or within three miles of the coastal zone within the locality's jurisdiction, shall be designated in the review.

(Amended by Stats.1984, c. 208, p. —, § 1, urgency, eff. June 20, 1984.)

**§ 65589. Construction of article**

(a) Nothing in this article shall require a city, county, or city and county to do any of the following:

(1) Expend local revenues for the construction of housing, housing subsidies, or land acquisition.

(2) Disapprove any residential development which is consistent with the general plan.



(b) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government to impose rent controls or restrictions on the sale of real property.

(c) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government with respect to measures that may be undertaken or required by a local government to be undertaken to implement the housing element of the local general plan.

(d) The provisions of this article shall be construed consistent with, and in promotion of, the statewide goal of a sufficient supply of decent housing to meet the needs of all Californians.

(Added by Stats.1980, c. 1143, p. 3697, § 3.)

## APPENDIX E

### DEVELOPMENT PROCEDURES AND FEES

#### Explanation

Following pages list application fees, processing times, and development fees of the city and other agencies within the county. This information was current December 1985. Agencies may change their procedures and fees from time to time.

<u>Development Situation</u>	<u>Type of Application</u>	<u>Processing Time</u>	<u>Fees</u>	<u>Other agencies in S.L.O. county Range of times and fees</u>
Environmental review				
Categorically exempt	None	1 - 7 days	None	1 day - 6 weeks; \$0 - \$109
Negative declaration	Initial study	2 - 4 weeks	\$80	2 - 8 weeks; \$0 - \$147
EIR	Contract	2 - 4 months	Varies	2 - 8 months; Varies
Adjust lot lines or combine lots	Parcel map	2 - 4 weeks	\$300 - \$425	2 weeks - 4 months; \$85 - \$425
Create up to 4 lots	Parcel map	3 - 6 weeks	\$550	2 weeks - 6 months; \$240 - \$741
Create 5+ lots	Tract map	2 - 3 months	\$1,350 + plan check & insp.	1 - 6 months; \$500 - \$1,500
Zone change	Zone change	2 - 3 months	\$360 - \$450	1 - 12 months; \$200 - \$1,067
Zoning exception	Admin. use permit	2 - 3 weeks	\$50	3 days - 10 weeks; \$35 - \$214
	Variance	2 - 3 weeks	\$360	2 - 10 weeks; \$200 - \$700
Development plan review	"PD" zone	2 - 3 months	\$510	3 - 12 weeks; \$0 - \$700
	Architectural review	6 - 12 weeks	\$150	
Affordable housing incentives	Standard	Concurrent w/ other applic.	None	3 - 8 weeks; \$0 - \$30
	Other	3 - 4 weeks	None	
All construction (plan check & inspection)	Building permit			
	One house or addition	2 - 4 weeks	\$867/unit	3 days - 4 weeks; \$600 - \$2,500/unit
	Med. size proj.	4 - 6 weeks	\$670/unit	1 - 6 weeks; \$600 - \$2,500/unit
	Major project.	6 - 8 weeks	\$670/unit	2 - 8 weeks; \$600 - \$2,500/unit

Note: Processing for several types of city applications goes on concurrently. Times are from receipt of a complete application to action, for projects which are not appealed to a higher authority. Times do not include applicant's time between tentative and final map approvals or building plan rechecks.



<u>Impact/use</u>	<u>Fees</u>	<u>Range for other agencies in S.L.O. County</u>
Parks & Recreation	House \$2,000 Condominium \$1,333 Apartment \$150	\$0 - \$2,000/unit
Water	(a)	\$0 - \$1,500/unit
Sewer	(a)	\$0 - \$1,187/unit
Schools	None	\$0 - \$900/unit
Roads/bridges/transit	None	\$0 - \$300/unit
Drainage/flood control	None	\$0 - \$400/unit

Notes: (a) San Luis Obispo does not have citywide connection fees. Some locations have "acreage" fees or must reimburse the city for previously installed pumps or lines. Also, developers pay the city to install water meters.



CITY OF SAN LUIS OBISPO  
HOUSING AFFORDABILITY STANDARDS AND INCOME LIMITS

1986

(See following page for explanation of how standards are determined.  
They are usually revised once each year)

-----MODERATE-INCOME FAMILIES-----

Family Size:	1	2	3	4	5	6	7	8
Annual Income Limit (\$):	22,260	25,440	28,600	31,800	33,700	35,800	37,800	39,750
Dwelling Size:	Studio	1-bedroom	2-bedroom	3-bedroom	4+ bedrooms			
Maximum Monthly Rent (\$) (a):	460	530	630	724	788			
Maximum Sales Price (\$) (b):	66,780	76,320	90,600	98,250	113,400			

-----LOWER-INCOME FAMILIES-----

Family Size:	1	2	3	4	5	6	7	8
Annual Income Limit (\$):	14,860	16,950	19,100	21,200	22,550	23,850	25,200	26,500
Dwelling Size:	Studio	1-bedroom	2-bedroom	3-bedroom	4+ bedrooms			
Maximum Monthly Rent (\$) (a):	310	350	420	480	525			
Maximum Sales Price (\$) (b):	37,150	45,060	50,380	54,690	63,000			

NOTES

- (a) Maximum rent shall include a reasonable allowance for utility bills (including water, sewer, trash collection, gas and electricity, but not telephone or television).
- (b) Sales price may exceed these amounts only if city staff determines that the down payment plus buyer's other closing costs and buyer's monthly payments (including principal, interest, taxes, insurance, and owner's association fees, but excluding utilities) over the life of the financing, provide a level of affordability essentially the same as the maximum sales price financed at prevailing market terms.



## HOW THE STANDARDS ARE DETERMINED

The affordability standards are based on countywide median income, as estimated by the U.S. Department of Housing and Urban Development. The 1986 median income for a family of four is \$26,500. The limit for "lower-income" families is 80% of the median. The limit for "moderate-income" families is 120% of the median.

Sales prices are calculated this way:

For lower-income families:      studio = 2.5 X 1-person-household income limit

1 bdrm = 2.5 X 2-person-family income limit

2 bdrm = 2.5 X  $\frac{(3\text{-pers.-fam. inc. lim.} + 4\text{-pers.-fam. inc. lim.})}{2}$

3-bdrm = 2.5 X  $\frac{(4\text{-pers.-fam. inc. lim.} + 5\text{-pers.-fam. inc. lim.})}{2}$

4+ bdrm = 2.5 X 7-person-family income limit

For moderate-income families, the same family-size factors are used, but the annual income limits are multiplied by 3.

Rents are calculated this way (based on rent not exceeding 25% of income for both lower- and moderate-income families):

studio =  $\frac{1\text{-person-household income limit}}{48}$

1 bdrm =  $\frac{2\text{-person-family income limit}}{48}$

2 bdrm =  $\frac{3\text{-person-family income limit} + 4\text{-person-family income limit}}{96}$

3 bdrm =  $\frac{4\text{-person-family income limit} + 5\text{-person-family income limit}}{96}$

4+ bdrm =  $\frac{7\text{-person-family income limit}}{48}$





